



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

March 23, 2021

The Honorable Board of Commissioners
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

1-D March 23, 2021

A handwritten signature in black ink that reads "Celia Zavala".

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE THE ANNUAL PLAN FOR THE LOS ANGELES COUNTY DEVELOPMENT
AUTHORITY
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of the Los Angeles County Development Authority's (LACDA) Annual Plan for Fiscal Year 2021-2022 (Annual Plan). The Annual Plan updates the LACDA's program goals, major policies, and financial resources. Submission of the Annual Plan is required by the U.S. Department of Housing and Urban Development for receipt of Capital Fund Program funds, operating funds for the Public Housing Program, and administrative fees for the Housing Choice Voucher (HCV) Program.

IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,

1. Find that the activities in the attached Annual Plan, as described herein, are not subject to the provisions of the California Environmental Quality Act (CEQA), because they will not have the potential for causing a significant effect on the environment.
2. Approve the attached Annual Plan, as required by the U.S. Department of Housing and Urban Development (HUD), to update the LACDA's program goals, major policies and financial resources, including the Capital Fund Program (CFP) Annual Statement, the Admissions and Continued Occupancy Policy for the Public Housing Program (ACOP), and the Housing Choice Voucher Program (HCV) Administrative Plan.
3. Adopt and instruct the Chair to sign the attached Resolution approving the Annual Plan for submission to HUD and authorize the Executive Director or his designee to take all actions required

for implementation of the Annual Plan.

4. Authorize the Executive Director or his designee to execute all documents required to receive HUD-allocated CFP funds which are estimated to be approximately \$7,000,000.

5. Authorize the Executive Director or his designee to incorporate into the Annual Plan all public comments received and approved for inclusion by your Board; and authorize the Executive Director or his designee to submit the Annual Plan to HUD by April 17, 2021.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On October 21, 1998, the Quality Housing and Work Responsibility Act mandated Public Housing Agencies to submit an Annual Plan every year and a Five Year Plan every five years to HUD.

The Five-Year Plan is a strategic planning document that identifies the LACDA's goals for the next five years. On June 23, 2020, your Board approved the current Five-Year Plan for Fiscal Years 2020 -2024.

The Annual Plan identifies major program policies and financial resources. It updates information on housing needs, waiting lists, housing strategies, program policy changes and other program and management data. The Annual Plan must be updated each year and was last approved by your Board on June 23, 2020.

Upon approval of the Annual Plan, the LACDA will receive approximately \$7,000,000 in CFP funds from HUD for management improvements, administrative costs and housing rehabilitation for the Public Housing Program.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. Operating funds for the Public Housing Program and administrative fees for the HCV Program will be approved through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Included as part of the Annual Plan are the updated CFP Annual Statement, ACOP, Public Housing Lease Agreement and the HCV Program Administrative Plan. Significant changes to these documents are discussed below.

Capital Fund Annual Statement:

The Fiscal Year 2021-2022 Capital Fund Annual Statement summarizes the LACDA's plan to use modernization funds for management improvements, administrative costs and to rehabilitate 1,771 housing units at seventeen (17) Public Housing Program developments. Included are proposed work items, estimated costs, and an implementation schedule for the work to be completed.

As authorized by HUD, the Executive Director may amend the CFP Annual Statement as necessary to respond to needs such as housing emergencies, to safeguard property or protect health and safety, or to implement other changes that are in the interests of the LACDA and Public Housing residents. The Executive Director may also implement changes to the CFP Annual Statement in response to changes in federal funding.

Admissions and Continued Occupancy Policy and Lease Agreement for the Public Housing Program:

The purpose of the ACOP for the Public Housing Program is to set guidelines to determine eligibility for admission and continued occupancy. The revised Public Housing ACOP reflects the following changes:

1. Interims for Income Increase

Currently, the LACDA only processes interims (income adjustments taking place in between regularly scheduled reexaminations) for income increases under the following circumstances: Start of, or phase in period, for Earned Income Disregard (EID); the increase was the result of temporary loss of income; the family is considered a zero-income family; receipt of a deferred payment in a lump sum which represents the delayed start of a periodic payment such as unemployment or social security benefits; change in family composition; or if the family requests it.

The LACDA will now additionally process interim increases under the following circumstances: a new source of income occurs; there is an increase in existing income of \$200/month or more; a change in allowable deductions occurs (i.e., childcare, disability, citizenship eligible immigration status and full-time student status), including anticipated out of pocket (not reimbursed) medical expenses and/or auxiliary expenses.

2. Increasing the number of homeless families served at the largest Public Housing properties.

The LACDA currently has a homeless preference for all Public Housing properties limited to 30% of the number of vacant general occupancy units available on July 1 of each fiscal year. For the family properties located specifically in the South Los Angeles County area, the LACDA provides an expanded waiting list homeless preference by first offering any unit that becomes available to a homeless family.

The LACDA will now provide an expanded waiting list homeless preference to allow for three (3) additional households per year at each of the LACDA's largest Public Housing properties, Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers Authority, County agency or Community Based Organization with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

3. Elderly Homeless Preference for Francisquito Villa

Currently, the LACDA has an Elderly homeless preference for the Carmelitos and Nueva Maravilla "Rosas" senior designated properties.

For the Elderly-only property, Francisquito Villa in the East Los Angeles County Area, the LACDA will expand its homeless preference by offering 25% of anticipated annual vacancies to homeless elderly families. Elderly families must be referred by a partnering agency with a contract or MOU in place with the LACDA. The referring agency must provide a certification of the elderly family's homeless status. An elderly family is a household whose head, co-head, spouse, or sole member is a person

who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Housing Choice Voucher (Section 8) Program Administrative Plan:

The purpose of the HCV (Section 8) Program Administrative Plan is to set forth the policies and procedures that govern the LACDA's administration of its rental assistance programs. The revised Section 8 Program Administrative Plan reflects the following changes:

1. Housing Choice Voucher Program, Waiting List Local Preferences

HUD allows the LACDA to establish HCV Program local admission preferences and to give priority to serving families that meet those criteria. Any local preference established must be consistent with regulatory requirements, the LACDA's Agency Plan, the Consolidated Plan, and must be based on local housing needs and priorities.

Therefore, as of July 1, 2021, the LACDA's Administrative Plan (section 4.4 Local Preferences) will now include the regulatory requirement found under 24 CFR 983.260(b), which mandates the LACDA give priority for continued tenant-based assistance to a project-based family that chooses to terminate their lease after the first year of occupancy. To be eligible for the priority, the family must have given the owner advanced written notice of their intent to vacate, have notified the LACDA, and requested to move with continued tenant-based assistance, prior to moving. The family must be in good standing with the project-based unit owner.

Further, the LACDA will now include a local preference category for LACDA rental assistance program transfers approved by the Director of Housing Assistance for the following programs: the Continuum of Care (CoC); the Family Unification Program; and Housing Opportunities for Persons with AIDS. To be eligible for program transfer consideration, certain criteria must be met for each program.

Under the CoC Program, families must be currently served by the LACDA in a CoC funded, Permanent Supportive Housing (PSH) project and no longer need supportive services to maintain housing stability. The current participant must be in good standing in the PSH project. The sponsor agency providing services to the participant family must provide written certification that the family does not require PSH services to maintain housing stability.

Under the Family Unification Program (FUP), the participant must be a transition aged youth that is currently served in the FUP administered by the LACDA. To be eligible to transfer to the HCV Program, the youth participant's FUP voucher must be expiring due to its 36-month statutory time limit. A written certification must be received from the Los Angeles County Department of Children and Family Services (DCFS). DCFS must certify that the youth will lack adequate housing as a result of the FUP voucher expiration and needs a tenant-based voucher to ensure uninterrupted housing assistance.

Under the Housing Opportunities for Persons with AIDS (HOPWA), the family must be currently served with the LACDA's HOPWA funding.

All program transfer preference applicants must meet the eligibility requirements for the HCV Program in accordance with HUD and the Administrative Plan. Implementation of the LACDA rental assistance program transfer preference makes these very limited targeted program certificates

available to the special populations who desperately need them.

2. Verification of Legal Identity During a Declared Disaster or Emergency

The LACDA's Administrative Plan requires applicants to furnish verification of legal identity for all family members during program admission.

As a result of the COVID-19 pandemic, as of July 1, 2021, the Administrative Plan (section 7.11.1 Verification of Legal Identity) will now include a Declared Disaster or Emergency situation clause. Often, acceptable verification of legal identity documents is not available during a declared disaster or emergency, whether it be a natural calamity (e.g., earthquake), civil disturbance, public health emergency, or other cause recognized by the Local, State or Federal government. For these instances, the LACDA will now have the flexibility to use a certified statement and/or documentation that the family has undertaken actions to obtain proper documentation for the initial leasing process. The LACDA will obtain acceptable verification of legal identity at the time of processing the annual reexamination.

3. Verification of Social Security Number During a Declared Disaster or Emergency

HUD and the LACDA's Administrative Plan require applicants and participants to disclose and document the Social Security Numbers (SSNs) of all family members, except ineligible noncitizens, as a condition of admission and continued assistance. Since disclosure and documentation of SSNs are conditions of eligibility for the HCV Program, an applicant family cannot be admitted to the program until the requirement is met. While the Public Housing Agency can extend time allowed to meet this obligation at the intake stage, failure to disclose and document SSNs as required, ultimately, results in denial of the family's application.

As a result of the COVID-19 pandemic, as of July 1, 2021, the Administrative Plan (section 7.11.8 Verification of Social Security Numbers) will now include a Declared Disaster or Emergency situation clause that will permit the LACDA the flexibility, during the initial leasing process, to use a certified statement and/or documentation that the family has undertaken actions to obtain proper documentation to satisfy HUD SSN verification requirements. The LACDA will make any corrections or adjustments to a SSN after the Family Report (HUD form 50058) has been validated by HUD through their monitoring systems or at the time of processing the family's annual reexamination, whichever is first.

The Administrative Plan, ACOP and Public Housing Lease Agreement include language changes that are statutory, regulatory, and/or clarify existing policy.

Section 24 of the Code of Federal Regulations, Part §903.17, requires a public hearing to approve the Annual Plan. Copies of the Annual Plan were made available for review and comment during a public review and comment period from December 29, 2020 to February 11, 2021 at 7 housing developments, LACDA administrative offices, and the LACDA website. Notices of the availability of the documents and the public hearing were also published in newspapers of general circulation during the public comment period. On February 24, 2021, the Housing Advisory Committee recommended approval of the Annual Plan.

The Summary of Public Outreach regarding the Annual Plan, a list of the 7 Public Housing Program developments and the Annual Plan, are provided as Attachments, A, B, and C, respectively.

The Resolution approving the Annual Plan for submission to HUD, provided as Attachment D, has

been approved as to form by County Counsel. At the conclusion of the Public Review and Comment period, the LACDA will provide to your Board all public comments pertaining to the Annual Plan. At the conclusion of the public hearing, public comments approved by your Board will be incorporated into the Annual Plan and submitted to HUD.

ENVIRONMENTAL DOCUMENTATION

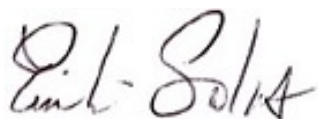
These activities are exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because they involve planning activities that will not have a physical impact on or result in any physical changes to the environment. The activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

Prior to implementation of any particular project, an Environmental Service Request will be submitted to the LACDA's Environmental Services Unit for review. Each project will receive an environmental clearance in accordance with CEQA Guidelines and NEPA regulations before proceeding with the project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Submission of the Annual Plan is required by HUD for the receipt of CFP funds and for the continuation of the Public Housing and HCV Programs.

Respectfully submitted,



Emilio Salas

Executive Director

ES:DZ

Enclosures

Attachment A

Summary of Public Outreach

Section 511 of the QHWRA instructs every Public Housing Agency to convene one or more Resident Advisory Boards (RABs) to assist and make recommendations on the development of the Annual Plan, as well as on any significant amendments or modifications. Public Housing Program residents and HCV Program participants were invited to participate on the RAB to learn about programs included in the Annual Plan and to provide input.

Summary of RAB Activities

Public Housing Program

- In October 2020, the LACDA posted a notice inviting all Resident Councils to attend scheduled RAB meetings.
- 20 Resident Council members volunteered to participate in the development of the Annual Plan.
- Because of office closures and restrictions on gathering in Los Angeles County due to the Covid-19 pandemic, the LACDA's regular annual RAB meetings were not held in person. In lieu of the in-person meetings, and to accommodate the individual needs of the RAB members, individual telephone calls were made, and conversations held with RAB members

Section 8

- An ongoing RAB recruitment is published on the LACDA website.
- The June 2020 issue of Tenant Talk Newsletter advertised the RAB to all Section 8 program participants.
- 20 RAB members volunteered to participate in the development of the Annual Plan.
- Because of office closures and restrictions on gathering in Los Angeles County due to the Covid-19 pandemic, the LACDA's regular annual RAB meetings were not held in person. In lieu of the in-person meetings, and to accommodate the individual needs of the RAB members, individual telephone calls were made, and conversations held with RAB members.

Other Outreach Activities

- A summary of the RAB comments and LACDA responses are included in Attachment A of the Annual Plan.
- As needed, translators are made available during the Public Housing and Section 8 RAB meetings.
- In December 2020, a public notice was posted to all Public Housing residents notifying them of the Public Review and Comment Period.

- In December 2020, a public notice announcing the Public Review and Comment Period was published in the Los Angeles Times, La Opinion, the Daily News, Los Angeles Sentinel, the Daily Breeze, and the Long Beach Press Telegram.
- A letter was mailed to the RAB representing the Section 8 HCV program thanking each for their participation and informing each of the public comment period, hearing dates, and where to access the plan.
- During the Public Review and Comment Period, the Annual Plan was made available at 7 housing developments, the LACDA Administrative Office in Alhambra, the Section 8 Palmdale office and the LACDA website.
- Summaries of the Annual Plan were available during the Public Review and Comment Period in Russian, Spanish and Chinese at the above locations and on the LACDA's website.
- Information regarding the RAB and the Annual Plan is published annually in the Section 8 Tenant Talk newsletter.

Attachment B

<u>Housing Development</u>	<u>Address</u>	<u>District</u>
1. Nueva Maravilla	4919 E. Cesar Chavez Los Angeles, CA 90022	1
2. South Scattered Sites Management office	12721 Central Avenue Los Angeles, CA 90059	2
3. Orchard Arms	23520 Wiley Canyon Rd Valencia, CA 91355	5
4. Francisquito Villa	14622 Francisquito Ave La Puente, CA 91746	1
5. Marina Manor	3405 Via Dolce Marina Del Rey, CA 90292	3
6. Carmelitos Family	700 Via Wanda Long Beach, CA 90805	4
7. Harbor Hills	26607 S. Western Avenue Lomita, CA 90717	4

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A. PHA Information.					
A.1	PHA Name: <u>Los Angeles County Development Authority</u> PHA Code: <u>CA002</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/2021</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>2,962</u> Number of Housing Choice Vouchers (HCVs) <u>25,269</u> Total Combined <u>28,231</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission				
<p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p>					
<input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)					
Participating PHAs		PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program
					PH HCV
Lead PHA:					

B. Annual Plan Elements

B.1 Revision of PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA since its last **Annual PHA Plan** submission?

Y N

- Statement of Housing Needs and Strategy for Addressing Housing Needs.
- Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- Financial Resources.
- Rent Determination.
- Homeownership Programs.
- Safety and Crime Prevention.
- Pet Policy.
- Substantial Deviation.
- Significant Amendment/Modification

(b) The PHA must submit its Deconcentration Policy for Field Office Review.

DECONCENTRATION POLICY

Section 8

At the voucher briefing, families are encouraged to search for housing in non-impacted areas. The LACDA provides assistance to families that wish to do so.

The assistance provided to such families includes: Direct contact with owners; Counseling with the family; Providing information about services in various non-impacted areas; Meeting with neighborhood groups to promote understanding; Formal or informal discussions with owner groups; Formal or informal discussions with social service agencies; Meeting with rental referral companies or agencies; and Meeting with fair housing groups or agencies.

The LACDA currently contracts with Emphasys Computer Solutions, an internet-based housing search service. This service, part of the LA County Housing Resource Center, lists rental properties submitted by owners within its jurisdiction to ensure greater mobility and housing choice to very low-income households. Each property listed indicates if it is in an area of low poverty concentration.

The LACDA also maintains a listing of job, education, transportation and other information for cities not impacted by poverty or minority concentration. The cities for which the LACDA maintains this information are: Alhambra; Azusa; Bellflower; Covina; Downey; Lakewood; Lawndale; Lomita; Paramount; Santa Fe Springs; West Covina; West Hollywood; Whittier. This information may be obtained at the Section 8 Administrative Office.

Public Housing

The LACDA's admission policy is designed to provide for de-concentration of poverty and income-mixing by bringing higher income residents into lower income developments and lower income residents into higher income developments.

A resident's gross annual income is used to determine income limits at admission and for income-mixing purposes.

De-concentration and Income-Mixing Goals

The LACDA's de-concentration and income-mixing goal, in conjunction with the requirement to target at least 40 percent of new admissions to public housing in each fiscal year to "extremely low-income families," will be to admit higher income families to lower income developments, and lower income families to higher income developments.

De-concentration will apply to transfer families, as well as applicant families.

Development Designation Methodology

The LACDA will determine on an annual basis the average income of all families residing in general occupancy developments.

The LACDA will then determine whether each general occupancy development falls above, within, or below the Established Income Range (EIR).

The EIR is 85 percent to 115 percent (inclusive of 85 percent and 115 percent) of the LACDA-wide average income for general occupancy developments.

The LACDA will then determine whether or not developments outside the EIR are consistent with local goals and strategies in the LACDA Agency Plan.

The LACDA may explain or justify the income profile for these developments as being consistent with and furthering two sets of goals:

1. Goals of de-concentration of poverty and income mixing (bringing higher income residents into lower income developments and vice versa); and
2. Local goals and strategies contained in the LACDA's Agency Plan.

De-concentration Policy

If, at annual review, there are found to be development(s) with average income above or below the EIR, and where the income profile for a general occupancy development above or below the EIR is not explained or justified in the PHA Plan, the LACDA shall adhere to the following policy for de-concentration of poverty and income mixing in applicable developments.

Skipping a family on any of the thirteen waiting lists to reach another family in an effort to further the goals of the LACDA's de-concentration policy:

If a unit becomes available at a development below the EIR, the first eligible family on a waiting list with income above the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income above the EIR will be offered the unit. The process will continue in this order. For the available unit at the development below the EIR, if there is no family on the waiting list with income above the EIR, or no family with income above the EIR accepts the offer, then the unit will be offered to the next family regardless of income.

If a unit becomes available at a development above the EIR, the first eligible family on the waiting list with income below the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income below the EIR will be offered the unit. The process will continue in this order. For the available unit at the development above the EIR, if there is no family on the waiting list with income below the EIR, or no family with income below the EIR accepts the offer, then the unit will be offered to the next family regardless of income.

Skipping of families for de-concentration purposes will be applied uniformly to all families.

A family has the sole discretion whether to accept an offer of a unit made under the LACDA's de-concentration policy. The LACDA shall not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under this de-concentration policy. However, the LACDA shall uniformly limit the number of offers received by applicants, described in this Chapter.

The LACDA provides a waiting list preference to homeless families referred by the agencies listed in this Chapter. Only the veteran/serviceperson and homeless preferences can override de-concentration and income mixing policies.

If the average incomes of all general occupancy developments are within the EIR, the LACDA will be considered in compliance with the de-concentration agreement.

Nothing in the de-concentration policy relieves the LACDA of the obligation to meet the income targeting requirements.

The LACDA Incentives for Higher Income Families

The LACDA may offer certain incentives to families with incomes above the EIR willing to move into a development with average income below the EIR.

(c) If the PHA answered yes for any element, describe the revisions for each element below:

The following sections of the LACDAs Elements were revised:

Statement of Housing Needs and Strategy for Addressing Housing Needs.

The Section 8 program currently has a waiting list of 37,388 applicants, of which 45% are black, 30% are white, 6% are Asian, and 19% listed Other. 29% of applicants reported Hispanic ethnicity and 16% did not disclose an ethnicity. About 28% of those on the waiting list are elderly and 30% are disabled. The amount of time spent on the waiting list often varies and can be as long as several years. The waiting list does not include special admissions.

The Public Housing program currently has a waiting list of 22,557 unduplicated applicants of which 47% African American, 27% White, 6%, Asian, 1% American Indian, 1%, Pacific Islander, and 18% identified as 'Other' or declined to state. Approximately 32% percent of public housing applicants are elderly, and 23% percent are non-elderly disabled. The waiting period for public housing applicants is about three to five years, depending on household member size.

The LACDA provides a homeless admissions preference countywide limited to 30% of the number of vacant general occupancy public housing units available on July 1st of each Fiscal Year. Since 2016, the LACDA expanded its homeless preference to include 100% of all South Scattered Sites (SSS) family vacancies throughout the year are first offered to homeless applicants through a Los Angeles Homeless Service Authority (LAHSA) Memorandum of Understanding (MOU). Additionally, the LACDA provides an expanded waiting list homeless general occupancy preference, limited to 3 households per housing development at Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers Authority (JPA), County agencies or Community Based Organizations (CBOs) with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

The LACDA has a homeless preference for the Carmelitos, Nueva Maravilla "Rosas" and Francisquito Villa senior designated properties. 25% of anticipated annual vacancies will be offered to homeless elderly families. Elderly families must be referred by a partnering agency with a contract or MOU in place with the LACDA. Additionally, the LACDA provides a homeless admissions preference countywide limited to 30% of the number of vacant general

occupancy public housing units available on July 1st of each Fiscal Year.

In August 2013, HUD approved LACDA's submittal to designate 7 public housing senior developments as housing for elderly families. The U.S. Census Bureau projects that the elderly in California will have an overall increase of 112 percent from 1990 to 2020. Los Angeles County mirrors this trend. Through senior designation, the LACDA addresses the specific and growing housing needs of the elderly. Additionally, the LACDA offers senior support services, such as, the Assisted Living Waiver Pilot Program (ALWPP) at various senior housing developments. On September 01, 2020, the LACDA received 2- year extension for this senior designation, in compliance with PIH Notice 2010-28 (HA).

In 2020-2021, various ADA improvements were completed at various sites. ADA improvements were completed including but not limited to ADA accessibility at; various sidewalks and parking lots at South Bay Gardens, Nueva Maravilla, and Century Wilton; and will resume the completion of rehabilitation of kitchens at Carmelitos (Phase IV), Herbert, and Marina Manor when COVID-19 restrictions are lifted.

In 2012, a 504 Compliance Evaluation Report was completed for the following public housing Senior/Disabled developments; Marina Manor, Foothill Villa, Orchard Arms, West Knoll, Palm Apartments, and South Bay Gardens. The LACDA has included recommendations from the 504 Compliance reports in the Capital Fund Five-Year plan. In Fiscal Year 2020-2021, LACDA completed the kitchen rehabilitation at Carmelitos Phase III which included kitchen rehabilitation in the ADA units. LACDA also completed exterior improvements for ADA and accessibility at South Bay Gardens, Century Wilton, and Quartz Hill I & II.

Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions

Section 8

In accordance with 983.260(b), the LACDA's Housing Choice Voucher program is required to give priority for continued tenant-based assistance to a project-based family that chooses to terminate their lease after the first year of occupancy, has given the owner advanced written notice of their intent to vacate, has notified the LACDA and requested to move with continued tenant-based assistance, prior to moving and only if in good standing with the Project-Based unit owner.

The Housing Choice Voucher's waiting list local preferences for admission are as follows, with families of veterans or current members of the armed forces receiving priority in each category:

1. Families previously assisted by the LACDA whose assistance were terminated due to insufficient funding;
2. LACDA will commit 100% of expected annual voucher attrition to assist Los Angeles County-based homeless families, as follows:
 - Up to 90% of referral applications may be received from an approved Coordinated Access System and/or local service provider that assists homeless families participating in a transitional or permanent supportive housing program.
 - Up to 5% of referral applications may be received from an approved local service provider assisting homeless elderly families.
 - Up to 5% of referral applications may be received from an approved local service provider assisting homeless Transitional Aged Youth (TAY) that are enrolled in an institution of higher education.

Applicants must meet all eligibility requirements. Admission will be on a first come, first served basis and is subject to funding availability.

3. LACDA rental assistance program transfers approved by the Executive Director from the following programs.
 - Families that are currently served by the LACDA in a Continuum of Care funded, permanent supportive housing project and no longer need supportive services to maintain housing stability. To be eligible for consideration, the current participant must be in good standing in LACDA's Continuum of Care Permanent Supportive Housing Program projects. The sponsor agency providing services to the participant family must provide written certification that the family does not require permanent supportive housing services to maintain housing stability.
 - Youth that are currently served in the Family Unification Program (FUP) administered by the LACDA whose FUP voucher is expiring due to the 36-month statutory time limit. To be eligible for consideration, a written certification must be received from the Los Angeles County Department of Children and Family Services (DCFS) certifying that the youth will have a lack of adequate housing as a result of the expiration of FUP voucher and needs a tenant-based voucher to ensure uninterrupted housing assistance.
 - Families that are currently served by the LACDA Housing Opportunities for Persons with AIDS (HOPWA) funding.

All program transfer preference applicants must meet eligibility requirements for the HCV program in accordance with HUD and this plan.

4. Families who live or work in the jurisdiction who are approved by the Executive Director for admission as victims of a declared disaster, displaced due to a government action or a law enforcement referral;
5. Families that are homeless and are found eligible for a Violence Against Women Act, Emergency Transfer from the LACDA's Housing Assistance Division and Housing Operations Division rental assistance programs, subject to funding availability.
6. Elderly households who live and/or work in the LACDA's jurisdiction. Elderly households must meet the definition of an elderly family and the residency requirements of Section 4.4.1.
7. All other families who live or work in the LACDA's jurisdiction.

Once admission preferences have been applied, families will be selected from the waiting list in order of preference and then by date and time. Further information on the LACDA's administration of the Housing Choice Voucher waiting list and application process may be found by referencing Chapters 3 and 4 of the Administrative Plan and Chapter 21 for project-based vouchers.

Public Housing

There are 13 SBWLs comprised of 6 waiting lists for families and 7 senior-only site-based waiting lists. The LACDA's 6 general occupancy SBWLs are currently closed since December 17, 2015 at 4:00 p.m. The 7 senior-only SBWLs were opened on February 10, 2020, at 8:00 a.m. On September 27, 2016, the LACDA notified all current applicants on the 13 SBWLs of their estimated wait time per selected waiting list and the opportunity to select additional SBWL, based on eligibility, until October 27, 2016.

Currently, the LACDA selects applicants from the waiting list in accordance with its policies in Chapter 3. The preferences for admission are as follows, with families of veterans or current members of the armed forces receiving priority in each category:

The LACDA has established the following local admissions preferences for general occupancy developments:

In accordance with the State of California Health and Safety Code, section 34322.2, the LACDA gives priority to families of veterans and servicepersons within each of the admissions preference categories below, including the spouse/marital-type partner of a deceased veteran or serviceperson.

First Preference: Homeless

Homeless Families and Victims of Domestic Violence:

The LACDA provides a countywide waiting list preference for homeless families. The preference is limited to 30% of the number of vacant general occupancy public housing units available on July 1 of each fiscal year. The family must consist of two (2) or more persons with one (1) member being under the age of 18 or be a single elderly and/or disabled person. Victims of domestic violence, dating violence, sexual assault or stalking receive the same admissions preference as homeless families.

The LACDA expanded its homeless preference to include 100% of all South Scattered Sites (SSS) family vacancies throughout the year are first offered to homeless applicants through a Los Angeles Homeless Service Authority (LAHSA) Memorandum of Understanding (MOU). Additionally, the LACDA provides an expanded waiting list homeless general occupancy preference, limited to 3 households per housing development at Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers Authority (JPA), County agencies or Community Based Organizations (CBOs) with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

Transitional Aged Youth (TAY):

The LACDA provides a homeless preference to TAY. This preference is limited to 3 households per housing development at Carmelitos, Harbor Hills, and Nueva Maravilla, where on-site services are available to ensure that case management will continue to be provided. In order to qualify for the TAY, the applicant must be referred to the LACDA by the Los Angeles Homeless Services Authority (LAHSA).

Second Preference: Families that have been displaced by a natural disaster declared by the President of the United States or through a governmental action.

Third Preference: Families who live and/or work in unincorporated Los Angeles County.

Fourth Preference: Families that do not live or work in unincorporated Los Angeles County.

The LACDA has a Memorandum of Understanding (MOU) with the Long Beach Housing Authority to permit residents of the City of Long Beach to be classified as in-jurisdiction applicants for housing at the Carmelitos Public Housing development only. Once the LACDA provides public housing assistance to a City of Long Beach resident at the Carmelitos Public Housing development, the resident must abide by and is governed by all policies in the LACDA's Admissions and Continued Occupancy Policy, Public Housing Lease Agreement ("Lease"), any Lease addendums and any other Public Housing rules and policies. Additionally, these residents are eligible to transfer to any other Public Housing development owned by the LACDA. Approval of a transfer request is delineated in Chapter 7 "Transfer Policy".

Elderly Families Housing Developments

The LACDA has established the following local admissions preferences for elderly-only housing developments:

In accordance with the State of California Health and Safety Code section 34322.2, the LACDA gives priority to families of veterans and servicepersons including the spouse/marital-type partner of a deceased veteran or serviceperson, within each of the admissions preference categories below.

First Preference: For the Carmelitos, Nueva Maravilla "Rosas" and Francisquito Villa senior designated properties, 25% of anticipated annual vacancies will be offered to homeless elderly families. Elderly families must be referred by a partnering agency with a contract or MOU in place with the LACDA. The referring agency must provide a certification of the elderly family's homeless status. An elderly family is a household whose head, co-head, spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Second Preference: Elderly Families that live and/or work in unincorporated Los Angeles County.

Third Preference: Elderly Families who do not live and/or work in unincorporated Los Angeles County.

Financial Resources

Financial Resources: Estimate FY 2020-2021 Planned Sources and Uses		
Sources	Planned \$	Planned Uses
I. Federal Grants		
a) Public Housing Operating Fund	\$9,023,584	
b) Public Housing Capital Fund	\$6,880,081	
c) HOPE VI Revitalization	\$0	
d) HOPE VI Demolition	\$0	
e) Annual Contributions for Section 8 Tenant-Based Assistance (Account 3111 – Only HAP002)	\$333,918,910	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	\$0	
g) Resident Opportunity and Self-Sufficiency Grants "Family Self-Sufficiency"	\$760,394	
h) Community Development Block Grant	\$2,000,000	
i) HOME	\$0	
Other Federal Grants (list below)		
Telemedicine	\$0	
Continuum of Care	\$320,453	
HOPWA	\$487,000	

2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	\$13,443,000	
4. Other income (list below)		
Tenant Charges	\$39,825	
Interest Income	\$240,200	
5. Non-federal sources (list below)	\$0	
Total resources	\$367,113,447	

Rent Determination

Section 8

The LACDA's current Payment Standards (PS) for its Housing Choice Voucher program is set at approximately 90 percent of the published 2021 Fair Market Rents with the exception of the one bedroom unit which is set at 95 percent. Below are the Housing Authority's PS amounts:

BDR	SRO	0	1	2	3	4	5	6	7
PS	\$924	\$1,232	\$1,522	\$1,852	\$2,462	\$2,684	\$3,086	\$3,489	\$3,892

Public Housing

Residents have an obligation to report to the LACDA if there is an additional/resuming source(s) of income for any eligible family member, change in existing income, change in expenses or the addition of a family member to the household. Failure to report within 10 calendar days of the occurrence is a material breach of the Public Housing Lease Agreement. The LACDA's policy is not to raise rent between annual recertification's except in the cases the cumulative amount exceeds \$200,00 a month, a new/resuming income is reported, a change in family composition and/or if a family requests an interim to be processed.

Homeownership Programs

The LACDA Section 8 or Public Housing programs do not have any homeownership programs. However, the LACDA has an effective Family Self-Sufficiency (FSS) that assists participants to move towards self-sufficiency and homeownership. The FSS program requires PHAs to develop strategies, such as job training, homeownership programs, scholarships, tuition reimbursement, childcare and transportation, to help public housing residents obtain employment that will lead to economic independence and self-sufficiency.

The FSS program currently has 362 HCV program participants, and 66 Public Housing program participants with a total of 428 families enrolled in the FSS program. Out of the 428 families, there are 258 families with escrow accounts. For the Fiscal Year 2019-2020, the FSS program has graduated 46 participants (40 HCV and 6 PH) with a total of \$491,187.20 (\$398,187.55 HCV and \$92,999.65) in escrow funds disbursed. This year, 2 HCV participants and 0 public housing residents transitioned out of housing subsidy, and 1 graduate purchased a home.

Safety and Crime Prevention

In 1993, the LACDA established the first of its kind Community Policing Program (CPP) in public housing through contracts with the Los Angeles County Sheriff's Department and the Long Beach Police Department. The CPP is a comprehensive approach that addresses crime in public housing in partnership with law enforcement, the LACDA management and residents. Successful CPP strategies that have been employed include enforcement, crime prevention, and youth intervention. This nationally recognized program has demonstrated a 70% reduction in crime since program inception at the three (3) largest family public housing developments.

Pet Policy

A service animal is any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. A resident who requests for a service animal does not require a submittal of a reasonable accommodation verification form as delineated in Chapter 1. The LACDA may only ask whether the animal is a service animal required due to a disability, and what tasks the animal has been trained to perform.

Executive Summary

The ACOP, Public Housing Lease Agreement, and Administrative Plan include language changes that are statutory, regulatory, and/or that clarify existing policy. Additionally, the LACDA is proposing the following major changes to the Public Housing and Section 8 Tenant-Based Programs for Fiscal Year (FY) 2021-2022.

Below are the proposed major policy changes for the Public Housing Program.

1. Interims for Income Increase

Currently, the LACDA only processes interims (income adjustments taking place in between regularly scheduled reexaminations) for income increases under the following circumstances: Start of, or phase in period, for Earned Income Disregard (EID); the increase was the result of temporary loss of income; the family is considered a zero-income family; receipt of a deferred payment in a lump sum which represents the delayed start of a periodic payment such as unemployment or social security benefits; change in family composition; or if the family requests it.

The LACDA will now additionally process interim increases under the following circumstances: a new source of income occurs; there is an increase in existing income of \$200/month or more; a change in allowable deductions occurs (i.e., childcare, disability, citizenship eligible immigration status and full-time student status), including anticipated out of pocket (not reimbursed) medical expenses and/or auxiliary expenses.

2. Increasing the number of homeless families served at the largest Public Housing properties.

The LACDA currently has a homeless preference for all Public Housing properties limited to 30% of the number of vacant general occupancy units available on July 1 of each fiscal year. For the family properties located specifically in the South Los Angeles County area, the LACDA provides an expanded waiting list homeless preference by first offering any unit that becomes available to a homeless family.

The LACDA will now provide an expanded waiting list homeless preference to allow for three (3) additional households per year at each of the LACDA's largest Public Housing properties, Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers Authority, County agency or Community Based Organization with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner

agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

3. Elderly Homeless Preference for Francisquito Villa

Currently, the LACDA has an Elderly homeless preference for the Carmelitos and Nueva Maravilla "Rosas" senior designated properties.

For the Elderly-only property, Francisquito Villa in the East Los Angeles County Area, the LACDA will expand its homeless preference by offering 25% of anticipated annual vacancies to homeless elderly families. Elderly families must be referred by a partnering agency with a contract or MOU in place with the LACDA. The referring agency must provide a certification of the elderly family's homeless status. An elderly family is a household whose head, co-head, spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Below are the proposed major policy changes for the Section 8 Tenant-Based Programs.

1. Housing Choice Voucher Program, Waiting List Local Preferences

HUD allows the LACDA to establish HCV Program local admission preferences and to give priority to serving families that meet those criteria. Any local preference established must be consistent with regulatory requirements, the LACDA's Agency Plan, the Consolidated Plan, and must be based on local housing needs and priorities.

Therefore, as of July 1, 2021, the LACDA's Administrative Plan (section 4.4 Local Preferences) will now include the regulatory requirement found under 24 CFR 983.260(b), which mandates the LACDA give priority for continued tenant-based assistance to a project-based family that chooses to terminate their lease after the first year of occupancy. To be eligible for the priority, the family must have given the owner advanced written notice of their intent to vacate, have notified the LACDA, and requested to move with continued tenant-based assistance, prior to moving. The family must be in good standing with the project-based unit owner.

Further, the LACDA will now include a local preference category for LACDA rental assistance program transfers approved by the Director of Housing Assistance for the following programs: the Continuum of Care (CoC); the Family Unification Program; and Housing Opportunities for Persons with AIDS. To be eligible for program transfer consideration, certain criteria must be met for each program.

Under the CoC Program, families must be currently served by the LACDA in a CoC funded, Permanent Supportive Housing (PSH) project and no longer need supportive services to maintain housing stability. The current participant must be in good standing in the PSH project. The sponsor agency providing services to the participant family must provide written certification that the family does not require PSH services to maintain housing stability.

Under the Family Unification Program (FUP), the participant must be a transition aged youth that is currently served in the FUP administered by the LACDA. To be eligible to transfer to the HCV Program, the youth participant's FUP voucher must be expiring due to its 36-month statutory time

limit. A written certification must be received from the Los Angeles County Department of Children and Family Services (DCFS). DCFS must certify that the youth will lack adequate housing as a result of the FUP voucher expiration and needs a tenant-based voucher to ensure uninterrupted housing assistance.

Under the Housing Opportunities for Persons with AIDS (HOPWA), the family must be currently served with the LACDA's HOPWA funding.

All program transfer preference applicants must meet the eligibility requirements for the HCV Program in accordance with HUD and the Administrative Plan. Implementation of the LACDA rental assistance program transfer preference makes these very limited targeted program certificates available to the special populations who desperately need them.

1. Verification of Legal Identity During a Declared Disaster or Emergency

The LACDA's Administrative Plan requires applicants to furnish verification of legal identity for all family members during program admission.

As a result of the COVID-19 pandemic, as of July 1, 2021, the Administrative Plan (section 7.11.1 Verification of Legal Identity) will now include a Declared Disaster or Emergency situation clause. Often, acceptable verification of legal identity documents is not available during a declared disaster or emergency, whether it be a natural calamity (e.g., earthquake), civil disturbance, public health emergency, or other cause recognized by the Local, State or Federal government. For these instances, the LACDA will now have the flexibility to use a certified statement and/or documentation that the family has undertaken actions to obtain proper documentation for the initial leasing process. The LACDA will obtain acceptable verification of legal identity at the time of processing the annual reexamination.

2. Verification of Social Security Number During a Declared Disaster or Emergency

HUD and the LACDA's Administrative Plan require applicants and participants to disclose and document the Social Security Numbers (SSNs) of all family members, except ineligible noncitizens, as a condition of admission and continued assistance. Since disclosure and documentation of SSNs are conditions of eligibility for the HCV Program, an applicant family cannot be admitted to the program until the requirement is met. While the Public Housing Agency can extend time allowed to meet this obligation at the intake stage, failure to disclose and document SSNs as required, ultimately, results in denial of the family's application.

As a result of the COVID-19 pandemic, as of July 1, 2021, the Administrative Plan (section 7.11.8 Verification of Social Security Numbers) will now include a Declared Disaster or Emergency situation clause that will permit the LACDA the flexibility, during the initial leasing process, to use a certified statement and/or documentation that the family has undertaken actions to obtain proper documentation to satisfy HUD SSN verification requirements. The LACDA will make any corrections or adjustments to a SSN after the Family Report (HUD form 50058) has been validated by HUD through their monitoring systems or at the time of processing the family's annual reexamination, whichever is first.

B.2

New Activities .

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

Y N

Hope VI or Choice Neighborhoods.

Mixed Finance Modernization or Development.

- Demolition and/or Disposition.
- Conversion of Public Housing to Tenant Based Assistance.
- Conversion of Public Housing to Project-Based Assistance under RAD.
- Project Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Project Based Vouchers

The LACDA is planning to convert up to 800 additional tenant-based vouchers to project based vouchers (PBVs) through Notice Of Funding Availability (NOFA) 26-A that closed on November 18, 2020, and to projects that were previously selected through a competitive process, which allows the LACDA to commit PBVs in accordance with 24 CFR 983.51. The LACDA has committed 18 PBVs for homeless to Life Ark at 2642 Tyler Ave in El Monte because it received the Los Angeles County Housing Innovation Challenge award. The LACDA has committed 80 PBVs for homeless to Studio 6 at 7701 E. Slauson Ave in Commerce because it was awarded a Project Home Key grant from the State of California. For its homeless efforts, Los Angeles County officials plan to fund the purchase of additional motels/inns using a combination of COVID-19 relief funds and state funding from Project Home Key, a follow-up to a program known as Project Roomkey that temporarily sheltered the most vulnerable members of the county's homeless population in hotel rooms. And the LACDA has offered 600 PBVs (including Project-Based Veterans Affairs Supportive Housing vouchers) to NOFA 26-A and has received requests for 900 PBV/PBVASH, for projects located in Altadena, Alhambra, El Monte, Huntington Park, Compton, Cudahy, Montebello, Baldwin Park, Palmdale, Lancaster (2), Quartz Hill, and unincorporated Los Angeles (6). Commitments for these projects are pending review and approval. Converting tenant-based vouchers to PBVs is necessary to increase the stock of affordable housing for special needs populations who face increasing barriers trying to find housing in the area's private rental market.

Units with Approved Vacancies for Modernization

For the current Fiscal Year, the LACDA has units with approved vacancies under Modernization, and is consistent with the PHA Plan and HUD's approval process.

B.3 Progress Report.

Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.

1. IMPROVE THE AVAILABILITY AND QUALITY OF LACDA HOUSING

OBJECTIVES:

- EXPLORE WAYS TO INCREASE HOUSING OPPORTUNITIES FOR TARGET POPULATIONS (I.E. CHRONICALLY HOMELESS, SPECIAL NEEDS FAMILIES, TRANSITION AGED YOUTH)

In June 2020, the LACDA received an additional 24 Mainstream Program voucher from the US. Department of Housing and Urban Development (HUD). These vouchers will be used to house non-elderly disabled persons in Los Angeles County. During the same time period, the LACDA applied for an additional 75 Family Unification Program (FUP) vouchers to reunite families whose children remain separated from their parent(s) due to lack of suitable housing. HUD awarded the LACDA an additional 54 FUP vouchers. After submitting a request to HUD for additional HUD/VASH vouchers, used to house homeless veterans, the LACDA received an invitation from HUD to apply for 500 additional HUD/VASH vouchers. Lastly, on October 8, 2020, the LACDA applied for an additional

100 Mainstream Program vouchers through funding made available through the CARES Act.

- CONTINUE TO PRESERVE AND MAINTAIN PUBLIC HOUSING AND AFFORDABLE HOUSING PORTFOLIOS

The LACDA administers 1,250 Project-Based Vouchers (PBV) across 35 properties. The LACDA has 1,536 additional PBVs in the pipeline across 35 projects, which are expected to become operational over the next 3 years. 660 of these PBVs were committed in CY 2020 through NOFA 25A, and outside of the NOFA by way of a previous competition that allows the LACDA to issue PBVs in accordance with 24 CFR 983.51. 15 of these projects are expected to be completed in CY 2021.

The LACDA is planning to convert up to 800 additional tenant-based vouchers to project-based vouchers (PBVs) through Notice of Funding Availability (NOFA) 26-A that closed on November 18, 2020, and to projects that were previously selected through a competitive process.

The LACDA is in the process of analyzing options for converting Public Housing to Rental Assistance Demonstration (RAD) in order to leverage assets to maintain sites. Currently, the LACDA is reviewing the RAD conversion at a site-based level and preparing to meet with residents for the proposed RAD conversion.

- CONTINUE PUBLIC HOUSING SECURITY IMPROVEMENTS

Since January 2020, the LACDA has upgraded the Carmelitos and Harbor Hills housing developments from NUUO digital systems to Exacqvision systems. The LACDA also installed integrated viewing software for all three large LACDA housing developments. The LACDA will install a new CCTV system at the Ocean Park housing development and is currently upgrading all existing analog CCTV systems to digital countywide.

- PURSUE MOVING TO WORK DESIGNATION

Currently, the LACDA is not eligible for the Moving To Work (MTW) designation. MTW was authorized by Congress in 1996 with three statutory goals: achieve greater cost-effectiveness; promote economic self-sufficiency; and, increase housing choices for low-income families. The “Consolidated Appropriations Act, 2016” allowed for the expansion of the current 39 MTW agencies by an additional 100 agencies but the number of large housing agencies that could be granted MTW status was limited, excluding the LACDA from applying for consideration. The LACDA will continue to advocate for MTW eligibility.

2. PROMOTE SELF-SUFFICIENCY AND PROVIDE SUPPORTIVE SERVICES

OBJECTIVES:

- INCREASE THE NUMBER AND PERCENTAGE OF EMPLOYED PERSONS

The LACDA regularly promotes its Family Self-Sufficiency (FSS) Program to encourage families to pursue goals of increased education, training, and employability. These goals lead to increased employment among our program participants. During FY 2019-2020, the

LACDA maintained the numbers and percentages of employed persons to similar levels of participation compared to FY 2018-2019. During the COVID-19 global pandemic, the LACDA focused on maintaining its FSS participant families. The LACDA worked to ensure the FSS families had the stability and resources needed to weather the Corona virus storm.

On February 21, 2017, the Los Angeles County Board of Supervisors adopted a motion that directed the LACDA and the Workforce Development, Aging and Community Services (WDACS) to develop a plan to expand employment opportunities for public housing residents. The LACDA's efforts have resulted in eleven (11) public housing residents hired by its service related vendors or construction contractors, 66 new family enrollees in its Family Self-Sufficiency economic independence program, and 208 residents signed up for a work-ready database that facilitates matching to available job opportunities.

- PROVIDE SUPPORTIVE SERVICES TO IMPROVE RECIPIENTS' QUALITY OF LIFE AND EMPLOYABILITY.

During FY 2019-2020, the LACDA experienced some success in improving outcomes for FSS participants, by increasing the number of FSS participant who have an escrow account from 239 in FY 2018-2019 to 258 in FY 2019-2020, and increasing the number of FSS graduations from 44 in FY 2018-2019 to 46 in FY 2019-2020.

The LACDA's operations during the COVID-19 pandemic required the LACDA's FSS program to temporarily suspend person-to-person interactions with FSS participants. This led the LACDA's FSS coordinators to work more electronically, via email and other electronic means, with FSS participants to provide the supportive services needed to improve FSS program success. FSS coordinators have conducted much of their client contact over the phone. The combination of email and phone correspondence has sustained the LACDA's FSS Program operations during the COVID-19 pandemic. As a result, the LACDA's FSS program escrow accounts increased from \$439,380.28 in FY 2018-2019, to \$491,187.20 in FY 2019-2020.

For the public housing program, 40 residents attended workforce development information sessions and workshops during this period (295 cumulative), 19 residents were referred to a local America's Job Center of California for services (208 cumulative), and 7 residents enrolled (89 cumulative)".

- INCREASE THE NUMBER OF PARTICIPANTS IN THE FAMILY SELF-SUFFICIENCY PROGRAM

During FY 2019-2020, the LACDA maintained an FSS Program with similar levels of participation compared to FY 2018-2019. During the COVID-19 global pandemic, the LACDA focused on maintaining its FSS participant families. The LACDA worked to ensure the FSS families had the resources and stability needed to weather the Corona virus storm.

- PROVIDE SERVICES TO INCREASE INDEPENDENCE FOR ELDERLY OR FAMILIES WITH DISABILITIES

The LACDA partnered with the Los Angeles County Health Agency, via a Memorandum of Understanding (MOU) effective March 11, 2020, to provide referrals and services for its Mainstream voucher assisted families. The Health Agency combines the Los Angeles

County Departments of Mental Health, Health Services, and Public Health agencies. Via the MOU, the Health Agency, when necessary, will coordinate with local service providers that have the training, experience, and qualifications to provide supportive services for families with disabilities. The Health Agency's contracted agency shall continue to make available Intensive Care Management Services to each housed client.

The Libertana Assisted Living Waiver Program continues to operate in 3 housing development locations - Orchard Arms, Lancaster Homes, and South Bay Gardens. There is a total enrollment of 40 older adult participants, receiving 24-hour services. Services include identification of home health assistance, transportation services, health and wellness education and social/cultural activities. Libertana is a valued partner these services serve as a cost-avoidance of over 2-million dollars for the LACDA.

- PARTNER WITH COMMUNITY-BASED ORGANIZATIONS TO PROVIDE EDUCATIONAL, PREVENTION, AND INTERVENTION ACTIVITIES

The LACDA partnerships are the key to enhancing services for residents. The LACDA focuses on partners in the faith-based community, educational institutions, and local businesses, Los Angeles County Departments such as the Department of Mental Health and the County Library, and non-profit agencies. The LACDA's most recent partnerships with the YMCA and Boys and Girls Club, will showcase enriched after school programs at both Carmelitos and Harbor Hills. These services include the Arts, Academics, and Athletics. The LACDA currently collaborates with over 30 partners whom support our mission.

3. REDUCE HOMELESSNESS IN LOS ANGELES COUNTY

OBJECTIVES:

- CONTINUE TO STRENGTHEN AND DEVELOP MEASURES THAT ARE IN LINE WITH THE LOS ANGELES COUNTY BOARD OF SUPERVISORS HOMELESS INITIATIVES PLAN AND MEASURE H ACTIVITIES.

As of 7/1/2020 the LACDA increased its commitment to the homeless by prioritizing 100% of its voucher attrition to families experiencing homelessness. For its homeless efforts, Los Angeles County officials plan to fund the purchase of additional motels/inns using a combination of COVID-19 relief funds and state funding from Project Home Key, a follow-up to a program known as Project Roomkey that temporarily sheltered the most vulnerable members of the county's homeless population in hotel rooms. And the LACDA has offered 600 PBVs (including Project-Based Veterans Affairs Supportive Housing vouchers) and has received requests for 900 PBV/PBVASH, for projects located in Altadena, Alhambra, El Monte, Huntington Park, Compton, Cudahy, Montebello, Baldwin Park, Palmdale, Lancaster (2), Quartz Hill, and unincorporated Los Angeles (6).

Since 2016, the LACDA expanded its homeless preference to include 100% of all South Scattered Sites (SSS) family vacancies throughout the year are first offered to homeless applicants through a Los Angeles Homeless Service Authority (LAHSA) Memorandum of Understanding (MOU). Additionally, the LACDA provides an expanded waiting list homeless general occupancy preference, limited to 3 households per housing development at Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers

Authority (JPA), County agencies or Community Based Organizations (CBOs) with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

The LACDA has a homeless preference for the Carmelitos, Nueva Maravilla "Rosas" and Francisquito Villa senior designated properties. 25% of anticipated annual vacancies will be offered to homeless elderly families. Elderly families must be referred by a partnering agency with a contract or MOU in place with the LACDA. Additionally, the LACDA provides a homeless admissions preference countywide limited to 30% of the number of vacant general occupancy public housing units available on July 1st of each Fiscal Year.

- EXPLORE METHODS TO REDUCE RECIDIVISM FOR HOMELESS PARTICIPANTS HOUSED BY THE LACDA.

The LACDA partnered with PATH via a Memorandum of Understanding, effective February 1, 2020, to coordinate supportive services for homeless clients. The goal is to connect a case manager to each recently housed formerly homeless person to work on their behalf with landlords to avoid landlord/tenant conflicts that lead to recidivism. The partnership also gives the LACDA access to a databank of hundreds of available rental units.

The LACDA offers case management services through its employees to all families to assist them in retaining their housing and achieving self-sufficiency. Eligible families are also offered participation in the FSS program.

Recognizing the specific need for more intensive case management for our previously homeless families, on December 18, 2018, Imagine LA co-located to one of LACDA's SSS properties. Imagine LA's professional staff provides intensive case management and supercharges it with mentorship and access to private and public resources. SHIELDS for Families is also co-located to one of the LACDA's SSS properties to provide resources to families in need of services such as but not limited to; good housekeeping, healthy relationship information/classes, drug and alcohol programs, job training, interview tips, food and other resources.

- PARTNER WITH OTHER COUNTY AGENCIES TO IDENTIFY AND PROVIDE SUPPORTIVE SERVICES TO THE HOMELESS AND AT-RISK POPULATIONS.

The LACDA partnered with the Los Angeles County Health Agency, via a Memorandum of Understanding (MOU) effective March 11, 2020, to provide referrals and services for its Mainstream voucher assisted families. The Health Agency combines the Los Angeles County Departments of Mental Health, Health Services, and Public Health agencies. Via the MOU, the Health Agency, when necessary, will coordinate with local service providers that have the training, experience, and qualifications to provide supportive services for families with disabilities. The Health Agency's contracted agency shall continue to make available Intensive Care Management Services to each housed client.

In addition to partnering with the Los Angeles Homeless Services Authority (LAHSA), the LACDA collaborates with the Homeless Outreach Program Integrated Care System (HOPICS), Department of Children and Families Services (DCFS), Imagine LA, SHEILDS

for Families, the Watts Labor Community Action Committee (WLCAC), Department of Health Services (DHS) and Department of Mental Health (DMH). This core team provides supportive services to our previously homeless families and strategizes on a monthly basis on improving the homeless initiative program to ensure that our families thrive.

In addition, the LACDA partnered with DCFS to invite the 18 PHAs within the Southern California area to a meeting on an available funding opportunity for TAY and provided technical assistance to those that qualify for the FUP TAY award.

3. AFFIRMATIVELY FURTHERING FAIR HOUSING (SEE ATTACHMENT B)

GOALS:

- PROMOTE LOWER RATES OF CRIME
- ENHANCE ACCESSIBLE HOUSING AND SUPPORTIVE SERVICES TO PERSONS WITH DISABILITIES
- CREATE VIABLE COMMUNITIES
- PROMOTE HEALTHY COMMUNITIES
- PROMOTE MORE AFFORDABLE AND ACCESSIBLE HOUSING
- PROMOTE UNDERSTANDING AND KNOWLEDGE OF FAIR HOUSING AND ADA LAWS
- ENHANCE EMPLOYMENT OPPORTUNITIES
- FACILITATE ACCESS TO PROFICIENT SCHOOLS
- PROMOTE FACILITIES AND SERVICES FOR THE HOMELESS
- ENHANCE TRANSIT SERVICES
- OTHER FAIR HOUSING GOALS

B.4.	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p>Other Document and/or Certification Requirements.</p>	
C.1	<p>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.2	<p>Civil Rights Certification.</p> <p><u>Form 50077-ST-HCV-HP</u>, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>See Attachment A – RAB Comments</p>
C.4	<p>Certification by State or Local Officials.</p> <p><u>Form HUD 50077-SL</u>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>D Statement of Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>	
D.1	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>See HUD Form 50075.2 submitted to HUD on 07/30/2020. HUD acknowledged receipt on 08/04/2020. Approval issuance delayed as a result of the COVID 19 pandemic.</p>

ATTACHMENT A
Resident Advisory Board (RAB) Comments

PUBLIC HOUSING

RAB members: 20

Harry Imasdounian
Khana Raskina
Rita Mogilevsky
Mera Kustanovich
Guenter Keunecke
Mina Maron
Rachel Addy
Ronnie Hernandez
Jesusa Asina
Erlinda Reyes

Claudio Sale
Isabel Banegas
Mary Martin
Marguerite Turner
Ruthie Myers
Gwendolyn Lofton
Pat Granado
Jewell Bumpers
Donna Janet
Jesstine Washington

RAB Meetings:

Outreach Activities:

- A request for RAB volunteers is advertised continuously on LACDA's website.

RAB Meetings:

Because of office closures and restrictions on gathering in Los Angeles County due to Covid-19, the LACDA's regular annual RAB meetings were not held. In lieu of the in-person meetings, individual telephone calls were made, and conversations held with as many RAB members as possible.

RAB Members Called and Voicemail Messages Left: 11

RAB Members Conversations: 9

- Provided an overview of the Annual Plan for the fiscal year 2021
- Provided an overview of the proposed policy changes and LACDA's COVID relief activities.
- Informed RAB members of new funding received by LACDA
- Inquired about their well being and any COVID related needs to see if we could provide resources.

RAB Comments

- 1. Comment:** One RAB member expressed concern about a damaged gate on their property
Response: Please contact your maintenance department. This might be already scheduled for repair or pending vendor maintenance.

- 2. Comment:** One RAB member stated a concern for a permeating smell from the 2nd floor common area of South Bay Gardens
Response: Please contact your maintenance department. This might be might be an isolated incident that they can remedy.
- 3. Comment:** One RAB member stated they would like to receive gift cards since the annual parties have been cancelled due to the safer at home ordinance.
Response: Annual parties are conducted through the developments resident council members. Please reach out to them and make your suggestion.
- 4. Comment:** One RAB member stated they were upset with their neighbors smoking on the premises
Response: The LACDA has a non-smoking policy adopted by all of its developments and enforceable under the lease.
- 5. Comment:** In response to the LACDA proposed policy change to the interim policy a local, one RAB member agreed that this is a good idea and that it is necessary, but was concerned about how it would affect people on fixed incomes in regards to their yearly increases.
Response: The proposed interim policy would only affect COLA's if the amount added up to more than \$200.00 a month.
- 6. Comment:** One RAB member asked why they were unable to transfer their assistance to another state.
Response: In the Public Housing program the building(s) is subsidized and the assistance can only can be transfer within the PHA. This does not stop current resident from applying to other waitlist or other forms of rental assistance.
- 7. Comment:** One RAB member asked if they could add a household member to their lease help them with daily activities.
Response: Contact your office and request a reasonable accommodation/ADA and the office will explain the ADA process.
- 8. Comment:** One RAB member liked the policy changes, but expressed concerns over the size of the new ACOP.
Response: The new ACOP is meant to be more accessible and streamlined for the general public
- 9. Comment:** One RAB stated that their blinds were old and no longer usable
Response: Please contact your maintenance department and schedule a work order.
- 10. Comment:** One RAB member asked if the LACDA offers a home ownership program
Response: The LACDA does offer a Home Ownership Program. Information on eligibility, criteria and process can be found on our LACDA website.
- 11. Comment:** One RAB member asked if they could have their tub remodeled because it is old and they want to make it easier to get in and out.

Response: Please contact your maintenance department and schedule a work order. If this request is based on an accommodation that is necessary for equal access then contact your management office and request a reasonable accommodation.

12. Comment: One RAB member requested a reasonable accommodation.

Response: Reasonable accommodation is sent

MAJOR POLICY CHANGES AND THE RAB MEMBERS REACTIONS, RESPONSES, OR COMMENTS.

Comment: The RAB members agreed that the extended Homeless preference(s) for the Francisquito, Carmelitos, Maravilla and Harbor Hill developments are a good idea, but expressed a general concern for the additional care needed for these families.

Response: These programs work through a referral basis and in conjunction with existing memorandums of understandings (MOU's) which provide extensive service(s) for the transition and continued occupancy of the families.

Comment: The RAB members agreed that the interim policy was a good idea, but expressed a general concern about how complying with it.

Response: The new Interim policy requires reporting of all changes in income expenses, family composition and member status within a 10 day calendar period. After which the LACDA will determine how the change will be processed under new policy.

SECTION 8 PROGRAM

RAB: 25 Members

- | | | |
|------------------------|-----------------------|------------------------|
| 1. Leslie Henry | 11. Patricia Teeter | 21. Steve Aguilar |
| 2. Cherie Jones | 12. Patricia Greer | 22. Gloria Bautista |
| 3. Anna Swett | 13. James Jacobs | 23. Valerie Montgomery |
| 4. Catherine Cici | 14. Joewandra Greer | 24. Arthur Lee Jones |
| 5. Carey Grier | 15. Teresa Johnson | |
| 6. Bobbie Turner | 16. Anthony Linnear | |
| 7. Trabeion Washington | 17. Willie Duckworth | |
| 8. Maxcine Knight | 18. Wilfred Parks II | |
| 9. Carolyn M. Ramsey | 19. Marisse Alexandra | |
| 10. Katie Jay | 20. Vanicia Wright | |

Outreach Activities:

- A request for RAB volunteers is advertised continuously on LACDA's website.
- The June 2020 issue of Tenant Talk Newsletter advertised the RAB to all Section 8 program participants.

RAB Meetings:

Because of office closures and restrictions on gathering in Los Angeles County due to Covid-19, the LACDA's regular annual RAB meetings were not held. In lieu of the in-person meetings, individual telephone calls were made, and conversations held with as many RAB members as possible. A letter was sent to the RAB members thanking them for their comments and informing them of the public comment period, hearing dates, and where to access the plan.

RAB Members Called and Voicemail Messages Left: 12

RAB Members Conversations: 7

- Provided an overview of the Annual Plan for the fiscal year 2021
- Provided an overview of the proposed policy changes and LACDA's COVID relief activities.
- Informed RAB members of new funding received by LACDA
- Inquired about their well-being and any COVID related needs to see if we could provide resources.

RAB Comments

1. Comment: One RAB member stated that because of suspended HQS inspections due to COVID, it is impossible to get his owner to make repairs to his unit. He was having problems with his owner doing necessary repairs previously, but now it is even worse. He was given a voucher to move but he is not familiar with the Palmdale area. COVID restrictions also makes looking for a new unit difficult.

Response: The LACDA will inform the owner of deficiencies that are his responsibility to correct and will abate the owner's payments if he does not make the repairs within a

reasonable timeframe. In such cases when the owner's payments are abated, a voucher is issued to the tenant to allow them to locate a new compliant unit. Other than abatement, the LACDA has no other manner of forcing the owner to make necessary repairs. Also, to assist with locating a new unit, the LACDA contracts with Emphasys, which operates the online Los Angeles County Resource Center. The online service provides up-to-date listings of available rental units. One can access it at www.socialserve.com or www.housing.lacounty.gov.

- 2. Comment:** One RAB member stated she has difficulty reaching her case manager and getting a return call.

Response: During the early phase of staff working from home during the pandemic, the LACDA temporarily experienced some technical issues with its telecommunications system. This made it difficult for staff to receive calls and retrieve messages. These issues have been resolved. Currently, all case managers and their supervisors are listed in the Tenant Portal. Give your case manager a full business day to return your call. Also, please note half of the case managers are off each Friday. Contact the supervisor if you have not received a return call after allowing enough time. In addition, all staff have received customer service training within the past year and a Customer Service Unit has been established to address these concerns.

- 3. Comment:** One RAB member stated she needs additional time to turn in her annual recertification packet because every year her MediCal recertification is at the same time of the year. This fact makes it difficult for her to return the housing paperwork. Also, a medical problem that makes it difficult to walk has slowed her down this year.

Response: HUD regulations dictate exactly when the annual reexam must be completed. The LACDA makes every effort to work with clients to get the paperwork in a timely manner. Also, this year, HUD allowed PHAs to waive some of the normal requirement associated with annual reexams. It is very important to communicate with your case managers to find out what accommodations can be made for you.

- 4. Comment:** One RAB member indicated the LACDA's drop box is very useful in returning annual reexam documents. Her exact words were "The drop box is perfect."

Response: The LACDA is pleased that participants find the drop box useful especially with the offices being closed due to the COVID pandemic.

- 5. Comment:** In response to the LACDA proposed policy change to make the elderly a local preference for the HCV waitlist, one RAB member agreed that this is a good idea and that it is necessary because she, personally, was on the waitlist 15 years. On another call, another RAB member commented she was on the waitlist 10 years and she received housing just in the nick of time because she had recently become disabled. Both RAB members are elderly.

Response: The LACDA recognized that elderly persons are remaining on the waiting list very extended period of times due to the current local preferences for homeless individuals. Making the elderly a local preference will help address this issue.

- 6. Comment:** One RAB member, while thankful for his rental assistance, expressed concern that food prices are getting higher and higher. He felt that food will eventually become too high to

buy. He stated he was changing to a plant-based diet that is more affordable and better for you.

Response: This may be a good solution. The LACDA, also, recommends that you find out if you qualify for the state's CalFresh electronic benefits transfer (EBT) card Program to purchase groceries or other local resources such as food banks or food giveaways to receive groceries.

7. Comment: One RAB member stated that she is trying to port to San Bernardino County Housing Authority because they have a Home Ownership Program which allows you to use your voucher towards purchasing a home. She said she qualifies for the program, but they are not accepting any ports during the pandemic. The RAB member asked why all PHAs do not have Home Ownership Programs.

Response: The LACDA is investigating implementing a Home Ownership Program. Funding, local real estate prices and availability are factors to be considered in deciding to implement a Home Ownership Program.

8. Comment: One RAB member was concerned that it seemed that she just completed her annual reexam and now she received paperwork to complete another one.

Response: HUD regulations require the LACDA to complete annual reexams within a certain timeframe. The LACDA starts the process well in advance to ensure that it is completed, and the participant receives adequate advance notification of any changes before they become effective in compliance with HUD regulations.

9. Comment: Numerous RAB members expressed appreciation for receiving a call from the LACDA to check on them and provide updates on the HCV Program and agency plan process. They appreciated having someone to talk to for a little while during these trying time.

Response: The LACDA was very pleased to find all RAB members in reasonably good health. None of the RAB members with which we spoke have fallen victim to the Corona virus. They all seemed to be coping well under the current circumstances.

10. Comment: One RAB member emphasized the importance of a washer/dryer (w/d) hook up especially for disabled tenants. On site laundry facilities are insufficient for persons with disabilities. She stated the LACDA should encourage owners to provide a w/d hook up for tenants.

Response: Thank you for your comment. The LACDA agrees that a w/d hook up is a very useful amenity and encourages landlords to provide w/d hookups however the LACDA cannot force owners to do so.

MAJOR POLICY CHANGES AND THE RAB MEMBERS REACTIONS, RESPONSES, OR COMMENTS.

Comment: The RAB members agreed that a local preference for the elderly and disabled populations is a very good idea.

One elderly RAB member stated she, personally, was on the waitlist 15 years. Another elderly RAB member commented she was on the waitlist 10 years before receiving assistance.

ATTACHMENT B AFFH GOALS SUMMARY

Fair Housing Goal	Fair Housing Impediments	Activities	Progress
<p>Promote lower rates of crime</p>	<p>Public safety concerns</p>	<ol style="list-style-type: none"> 1. Annually engage and enhance the community policing team (CPT) program at LACDA sites. 2. The CPTs meet quarterly and ascertains the crime prevention needs of the housing sites. 15 meetings will be held in the next 5 years. 3. CPTs hold monthly Task Force by 2 service areas with the respective Area Manager to monitor progress in crime prevention and addressing public safety concerns. Approximately 120 meetings will be held in the next 5 years. 	<ol style="list-style-type: none"> 1. Actively engaging the CPT teams to enhance site services during weekly CPT meetings and monthly Task Force meetings. 2. LACDA and CPT involved with Maravilla, South Scattered Sites, and Harbor Hills crime prevention needs assessment following 2 community meetings at Maravilla (Cumulative 4) and Harbor Hills (Cumulative 4), 3 Carmelitos Sr. Resident Council monthly meetings (Cumulative 4), and weekly/monthly “Coffee with a Cop” resident meetings at South Scattered Sites and Harbor Hills. CPT engaged in the annual Beach Trip, Back2School Jams, National Night Out, and Red Ribbon Week crime prevention events at the sites. CPT will plan the annual Snow Trip for youth who are actively involved in public housing youth development programs. CPT will attend the 4 annual holiday and crime prevention events at the sites. 3. Conducted 24 LACDA and CPT Task Force meetings to review calls for service, management and resident concerns, and plan strategies to respond to the identified site crime and nuisance issues.
	<p>Violent and drug related crime in public housing</p>	<ol style="list-style-type: none"> 1. Enhance crime reduction programs and the Crime Prevention Unit annually. 2. Convene quarterly meetings and report statistics on progress in keeping sites safe. Approximately 15 meetings will be held in the next 5 years. 	<ol style="list-style-type: none"> 1. CPU supported the CPT's in the aforementioned crime prevention site and countywide events. 2. Quarterly community crime prevention meetings were not conducted due to COVID-19
	<p>Minority and low-income communities experience higher rates of crime and violence</p>	<p>Annually provide training and/or technical assistance to law enforcement agencies, County and/or City departments, and other housing authorities annually.</p>	<ol style="list-style-type: none"> 1. All LASD and LBPD CPT Personnel attending the annual California Gang Investigators Association (CGIA) conference.
	<p>Criminal activity in public housing facilities</p>	<ol style="list-style-type: none"> 1. Annually improve Crime Prevention Through Environmental Design (CPTED) measures currently in place at LACDA including additional installation of CCTV systems. 	<ol style="list-style-type: none"> 1. LACDA's improvement of site-based CPTED measures include the installation of new CCTV systems as well as upgrading existing systems. Strategic decisions regarding camera locations

ATTACHMENT B AFFH GOALS SUMMARY

		<ol style="list-style-type: none"> 2. Convene quarterly meetings with the CPT and CPTED staff to monitor progress and report on accomplishments quarterly. Approximately 15 meetings will be held in the next 5 years. 3. Annually enhance security measures as needed at public housing facilities including installation of additional CCTV systems and CPT. 4. Review security contracts annually. 	<p>and fields of view are made with CPTED principles such as Territorial Reinforcement and Access Control in mind.</p> <ol style="list-style-type: none"> 2. CPT and CPTED staff met monthly at 24 Task Force meetings to discuss crime and safety related issues and solutions. CPTED principles are one of the tools considered when looking for solutions. 3. The CCTV systems at LACDA's two largest sites received substantial upgrades. Since January of 2019, LACDA installed new CCTV systems at five housing developments. The new installations include 40 new digital cameras and four Network Video Recorders (NVR's) at four developments in South Los Angeles. LACDA also installed a new digital CCTV system with 28 cameras and an NVR at the Arizona and Olympic development in East Los Angeles. A new high-definition portable system was added to the existing system at the Nueva Maravilla development, also in East Los Angeles. (Cumulative 8 sites) 4. The current CCTV Installation, Monitoring and Maintenance contract is reviewed and adjusted annually. The increase in sites with systems and the monitoring and maintenance that comes with such expansion requires annual review.
	<p>Juvenile crime activity</p>	<ol style="list-style-type: none"> 1. Enhance and continue Juvenile Justice Crime Prevention Act (JJCPA) activities annually. 2. Convene meetings to monitor progress and report on accomplishments quarterly. Approximately 15 meetings will be held in the next 5 years. 	<ol style="list-style-type: none"> 1. JJCPA Program and activities continue in this reporting period we introduced the new title "Youth Development Specialists" aligns with the work staff performs. 2. In this reporting 2 meetings was held to discuss program activities

ATTACHMENT B AFFH GOALS SUMMARY

<p>Enhance accessible housing and supportive services to persons with disabilities</p>	<p>Increase independence for the elderly or families with disabilities</p>	<ol style="list-style-type: none"> 1. Apply for additional Resident Opportunity and Self Sufficiency (ROSS) grants annually. 2. Implement the assisted living waiver program (ALWP) as state funding permits at additional senior sites. Currently the ALWP has been implemented at South Bay Gardens, Orchard Arms, and Lancaster Homes housing developments. Monitor progress and report annually. 3. Provide reasonable accommodations/reasonable modifications through LACDA's Reasonable Accommodation/Reasonable Modifications request procedures. Monitor progress and report annually. 4. Ensure that funded projects fully comply with federal and state fair housing requirements. 5. Conduct mobility workshops with various partnering agencies for residents (ex: fall prevention, alert systems) annually. Keep record of workshops. 6. Improve the implementation of current review and approval of reasonable accommodations practices and track all ADA requests annually. 	<ol style="list-style-type: none"> 1. Funded ROSS grant additional 3-years 2017-2020 2. Program continues at 3 locations, with 40 older adults enrolled we continue monthly monitoring. 3. To facilitate the Reasonable Accommodation process for applicants and program participants, the LACDA's Public Housing staff will continue to discuss "best PHA RA practices" and to review our process with a national consultant. In addition, to facilitate the Reasonable Accommodation process the Section 8 Program changed its Administrative Plan on July 1, 2020 to eliminate the requirement to obtain approval for a live-in aid again when the current live-in aid leaves the client's employment. 4. Ensured that funded projects fully complied with federal and state fair housing requirements. 5. We have conducted a total of 2 fall prevention workshops serving 40 unduplicated PH residents. At our Harbor Hills location 10 older adults will continue mobility activities and report on outcomes. 6. Reasonable accommodation (RA) practices have been reviewed and RA representatives at each management office process the RA requests. The ADA Coordinator tracks monthly ADA requests.
	<p>Lack of sufficient accessible housing in a range of unit sizes</p>	<p>Promote conversion activities to benefit a minimum of 1,300 units annually to include additional accessibility features of existing accessible units in a range of <u>sizes</u> for persons with disabilities annually as funding permits. Conversion/rehabilitation activities to benefit a minimum of 6,500 units in the next 5 years. Monitor progress and report annually. Accessible units comply with Section 504 and ADA requirements for accessible design as well as the federal Fair Housing Act requirements, if applicable.</p>	<p>Completed 5 ADA construction activities at Carmelitos, Nueva Maravilla, South Bay Gardens, and Orchard Arms to benefit 1,500 units, and will complete a full ADA assessment at all of the senior public housing developments, and three unit conversions for full ADA accessibility.</p>

ATTACHMENT B AFFH GOALS SUMMARY

	People with disabilities becoming homeless	Partner with other County agencies to identify housing prior to a resident or applicant becoming homeless and make referrals annually.	The LACDA is now collaborating with local agencies, such as the Department of Health Services (DHS) and Department of Mental Health (DMH) to provide families at risk for becoming homeless with rental assistance payments.
	Barriers to mobility	Utilize the Green Physical Needs Assessment (GPNA) annually to address barriers to mobility annually as funding permits.	Utilized the Physical Needs Assessment (PNA) annually to address barriers to mobility annually as funding permits.
	Lack of mental health services for school age children of public housing	Connect residents with resources including Department of Mental Health case management services and on-site LACDA case managers. Provide services to 100 residents annually.	LA County Dept. of Mental Health has co-located at 13 senior public housing sites. The Genesis Geriatric program has housed a social worker and registered nurse at Carmelitos Senior complex. The DMH collaboration has served 300 older adult residents.
	Access to transportation	<ol style="list-style-type: none"> 1. Provide transportation to Resident Advisory Board (RAB) meetings, field trips and other events as funding permits. 2. LACDA will inform residents of resources and options for transportation on the LACDA website and the resident LINK newsletter. Information will be updated annually as needed. 	<ol style="list-style-type: none"> 1. Because of COVID-19 and the safer at home ordinance all RAB meeting were conducted via telephone. 2. The Link newsletter produced quarterly and includes an array of resources for youth, older adults, and families. No updates to report.
Create viable communities	Access to affordable internet	<ol style="list-style-type: none"> 1. Annually expand cable/internet access to housing development sites, as funding permits. The LACDA currently has cable/internet access at three (3) housing developments: Carmelitos, Whittier Manor, and Herbert. 2. Annually enhance and continue to provide computer/internet access at LACDA's largest sites in the Family Learning Centers at Nueva Maravilla, Harbor Hills and Carmelitos. 3. When providing Project-Based Voucher funding to developers that Construct or Rehabilitate Affordable Housing Developments, continue to require annually, as mandated by the Federal Communications Commission and the U.S. Department of Housing and Urban Development, Broadband Infrastructures that permits residents to acquire low cost 	<ol style="list-style-type: none"> 1. Cable and internet are still currently at Carmelitos, Whittier Manor, and Herbert. 2. Currently there is a computer lab with 20 computers with internet access at each Family Learning Center: Nueva Maravilla, Harbor Hills, and Carmelitos. 3. All Notices of Funding Availability that announced project-based voucher availability mandated developers construct or rehabilitate projects in accordance with Federal Communications Commission and the U.S. Department of Housing and Urban Development, Broadband Infrastructures requirements.

ATTACHMENT B AFFH GOALS SUMMARY

		internet services.	
Promote healthy communities	Industries not in compliance with health regulations Pollution in Neighborhoods Illegal Dumping Proximity to environmental hazards, especially in communities of color	<ol style="list-style-type: none"> Facilitate environmental review process and adhere to state requirements and procedures. Refer residents to responsible agencies as needed and include information on LACDA website as appropriate. 	<ol style="list-style-type: none"> Facilitated environmental review process and adhered to state requirements and procedures by having each construction project be approved through an environmental clearance. None to report this period.
	Food insecurity Access to healthy and nutritious food options	<ol style="list-style-type: none"> Promote access to food assistance programs like CalFresh and Women, Infants, and Children (WIC) through the LACDA LINK Newsletter and on the LACDA website annually. Enhance The Growing Experience (TGE) Program annually to provide fresh produce at a low cost to residents and the local Long Beach community. 	<ol style="list-style-type: none"> CalFresh was promoted during annual resource fairs, LINK newsletter, and workshops on-site. CalFresh has provided on-site outreach services for over 80 residents. EBT currently accepted every Friday at the Farm Stand which sells fresh fruit and vegetables. <p>The TGE in partnership with the Long Beach Health Department provides nutritional information along with healthy recipes to family and Senior residents.</p> <p>Access is provided through a weekly farm stand a weekly Community Supported Agriculture (CSA) veggie box program wherein residents can purchase hyper-local, sustainably grown produce at an affordable cost</p>
	Enhance adequacy of life skills (e.g. Housekeeping, healthy eating, financial management)	Provide training seminars to residents through partnerships with outside agencies on life skills at the quarterly Resident Council Forum meetings and/or on-site resident meetings. Approximately 8 training seminars will be held in the next 5 years.	6 meetings have been facilitated on various life skills topics: hoarding, budgeting, depression, SAT prep, etc. Over 150 residents have been served.
	Enhance air quality within housing development sites	Enforce Smoke-Free policy annually in all developments (except South Bay Gardens where smoking is permitted in a specified open area that is at least 25 feet away from a LACDA building that is clearly labeled "Smoking Designated Area"). Ensure that all residents, guests, visitors, vendors, contractors, and staff are in compliance with policy. Implemented smoke-free policy effective July 1, 2014.	Smoke-Free policy is in place and being enforced across all sites.

ATTACHMENT B AFFH GOALS SUMMARY

Promote more affordable and accessible housing	Instances of absentee/bad landlords	<ol style="list-style-type: none"> 1. Continue to outreach and provide owner education workshops annually regarding subsidized rental programs, as well as tenant/landlord California laws. 2. Continue to enforce HUD regulations annually regarding owner suitability. 	<ol style="list-style-type: none"> 1. As a result of the COVID-19 pandemic and local safer at home ordinance, workshops and outreach activities were suspended. 2. Since 07-2020, the LACDA has had no cases pertaining to owner suitability.
	Lack of opportunities for residents to obtain housing in higher opportunity areas	<ol style="list-style-type: none"> 1. Enhance and continue resident services programs for all residents, including specialized programs for youth annually. 2. Provide college scholarships through the Community Development Foundation (CDF) annually. 	<ol style="list-style-type: none"> 1. RSP continue with special focus on College Readiness for and High School youth 2. Information is on LACDA website. 3. 27 scholarships awarded in this reporting year. 4. 280 residents served in FLC for adult and for youth programs. 5. ESL classes have ceased due to the "Safer at Home Ordinance"
	Enhance place based investments	<ol style="list-style-type: none"> 1. Preserve public housing by continuing to address GPNA recommendations annually as funding permits. 	Continue to preserve public housing by continuing to address GPNA recommendations annually as funding permits.
Promote understanding and knowledge of fair housing and ADA Laws		<ol style="list-style-type: none"> 1. Conduct ADA and Fair Housing training for all new employees annually. Training will include information on FHA, Section 504, Title II of the ADA and the California Fair Employment and Housing Act (FEHA). 2. LACDA provides a family that is disabled and requires specific accessible features, priority for vacant accessible units annually. LACDA offers a vacant accessible unit first to current units and then to an eligible qualified applicant that requires the special features of the vacant unit. 3. LACDA will provide all applicants and residents the "LACDA's Process to Request a Reasonable Accommodation and/or Reasonable Modification" Information Form in compliance with 	<p>Coordinated by Administrative Unit</p> <ol style="list-style-type: none"> 1. LACDA Legal Counsel and the ADA Coordinator will plan the annual Fair Housing training in 2020. It will cover FHA, Section 504, Title II of the ADA and the California Fair Employment and Housing Act (FEHA). 2. LACDA continues to give families with need for accessible features priority. 3. All incoming program participants receive information in their rights to Reasonable Accommodations/Modifications, as well as, at time of annual recertification. Reasonable Accommodation information and forms are readily available via the LACDA's website.

ATTACHMENT B AFFH GOALS SUMMARY

		<p>FHA, on the LACDA website and in the application packet annually.</p> <ol style="list-style-type: none"> 4. Update the listing of accessible public housing units and accessibility features available at each housing development on LACDA's website annually. 5. LACDA will continue to require annually a signed Waiver Form from each resident that is housed in a unit with accessible features where the resident does not require a unit with such features. Pursuant to this waiver, a unit with accessible features can be assigned to a resident or applicant that is disabled as the need arises. 	<ol style="list-style-type: none"> 4. There is a full list of accessible units last updated April 2019 on the LACDA website. 5. At time of annual each resident living in a unit with accessible features is required to sign a waiver which states they can be assigned to another unit of need arises for a unit with accessible features.
	<p style="text-align: center;">Discrimination in the private accessible rental markets</p>	<ol style="list-style-type: none"> 1. For Section 8 participants, continue to provide mobility counseling at monthly voucher briefing sessions. 2. For Section 8 participants, continue to provide access to enhanced Housing Navigation Resources annually. 3. Continue to provide and review information annually on the LACDA website and briefing sessions regarding reporting Housing Discrimination. 	<ol style="list-style-type: none"> 1. The LACDA provides mobility counseling and Housing Discrimination information to all new applicants and participants that are moving. 2. At each briefing session, the LACDA refers its clients to the Los Angeles County Resource center, which provides enhanced Housing Navigation services. 3. On a monthly basis, the LACDA reviews and ensures that all information is current on its website. The LACDA's main website page displays information regarding Housing Discrimination and provide information on how to file a complaint. 4. For 2020 voucher issuances, 1 client was provided American sign language services. 5. On June 11, 2019, the LACDA advocated for and obtained approval for a Los Angeles County Source of Income Protection Ordinance. 6. On December 16, 2019, the Housing Rights Center conducted a training session on Fair Housing, Source of Income Protections and Rent Stabilization for all Section 8 staff in the Alhambra Office. On December 19, 2019, this training was held for the Palmdale Office staff. 7. Effective February 1, 2020, PATH (People Assisting the Homeless) and the LACDA executed a Memorandum of

ATTACHMENT B AFFH GOALS SUMMARY

			Understanding for the coordination of supportive services for the homeless. Via this MOU, PATH agrees to provide housing location services, including providing access to housing resources acquired by PATH and mediation services for landlord/tenant conflicts.
Enhance employment opportunities	Disparities in job readiness and educational achievement	Conduct job readiness training for 50 public housing residents annually. Partner with Workforce Development, Aging, and Community Services (WDACS) to enhance collaboration on existing program efforts as well as design new initiatives for workforce readiness and employment opportunities.	<p>58 residents were referred to a local America's Job Center of California for services, and 5 residents enrolled in Networking Webinars.</p> <p>The LACDA, via its FSS team, is working with the America's Job Center of California to offer training opportunities to public housing residents and FSS families. We have 6 individuals who enrolled in a training program with America's Job Center of California.</p>
Facilitate access to proficient schools	Enhance place based investments	<ol style="list-style-type: none"> 1. Continue and enhance resident services programs annually for all residents, including specialized programs for youth. 2. Provide college scholarships through the CDF, annually. 3. Provide computer classes/labs, afterschool programs for youth, financial literacy, nutrition workshops, and enrichment activities at the LACDA Family Learning Centers (FLC) annually. 4. Continue to convene the CDF Reality Check Conference annually where LACDA youth are provided with scholarships, educational seminars, and skill development to assist them in achieving their goals. 	<ol style="list-style-type: none"> 1. RSP's continue with focus on College Readiness for high school youth. 2. Reality Check Conference served 180 residents and provided 27 scholarships. 3. After school program served 200 youth. The LACDA is working with 2 partners YMCA and Boys and Girls Club to provide afterschool program services at Carmelitos and Harbor Hills. 4. Annual Reality Check Conference continues with seminars in July with the scholarship awards recognition ceremony.
	Availability of scholarships	Continue to provide scholarships for residents as funding permits through the CDF annually.	27 scholarships funded
	Enhance programs to help at-risk homeless population	<ol style="list-style-type: none"> 1. Continue to receive referrals annually from Los Angeles Homeless Services Authority (LAHSA), Department of Children and Family Services (DCFS), Department of Mental Health (DMH) and the Veteran's Administration (VA) to house homeless families and provide case management for these 	<ol style="list-style-type: none"> 1. Continue to receive referrals from Los Angeles Homeless Services Authority (LAHSA) and the Department of Family and Children Services (DCFS) to house homeless families and provide case management for these families to remain housed.

ATTACHMENT B AFFH GOALS SUMMARY

<p>Promote facilities and services for the homeless</p>		<p>families to remain housed.</p> <ol style="list-style-type: none"> 2. As funding and regulatory requirements permit, continue to commit annually through a competitive Notice of Funding Availability, Project-Based Vouchers, to developers that target affordable housing developments that will house special needs populations, such as at-risk of homelessness and/or homeless populations. 3. Include requirements in NOFA funding agreements that projects must incorporate affirmative marketing, tenant selection, and reasonable accommodation/reasonable modification practices that fully comply with Section 504, Title II of the ADA, FHA and FEHA. 4. Prioritize rapid rehousing and provide ancillary services annually through LAHSA coordinated with CDC and LACDA. 5. Utilize Measure H funding annually, continue to evaluate and expand on the Homeless Incentive Program, to entice landlords to rent available rental units to the homeless and homeless veterans. 	<p>For Calendar Year (CY) 2020, the voucher program received 32 homeless family referrals from the DMH. All families referred were provided an application for subsidized rental assistance. Families are currently at different stages of program eligibility and housing search. As of 11-30-2020, 26 families were issued a voucher and 1 have successfully leased a unit with a voucher. For CY 2020, the voucher program received 103 homeless referrals from DCFS. All families were provided an application for subsidized rental assistance. Families are currently at different stages of program eligibility and housing search. As of 11-30-2020, 61 families were issued a voucher and 16 have successfully leased a unit with a voucher. For CY 2020, the VASH program received 299 referrals from the VA. Families are currently in different stages of program eligibility and housing search. As of 11-30-2020, 224 were successfully leased a unit with a voucher and 52 have successfully leased a unit within a Project Based building.</p> <ol style="list-style-type: none"> 2. The LACDA is planning to convert up to 800 additional tenant-based vouchers to project based vouchers (PBVs) through Notice Of Funding Availability (NOFA) 26-A that closed on November 18, 2020, and to projects that were previously selected through a competitive process, which allows the LACDA to commit PBVs in accordance with 24 CFR 983.51. The LACDA has committed 18 PBVs for homeless to LifeArk at 2642 Tyler Ave in El Monte because it received the Los Angeles County Housing Innovation Challenge award. The LACDA has committed 80 PBVs for homeless to Studio 6 at 7701 E. Slauson Ave in Commerce because it was awarded a Project Home Key grant from the State of California. For its homeless efforts, Los Angeles County officials plan to fund the purchase of additional motels/inns using a combination of COVID-19 relief funds and state funding from Project Home Key, a follow-up to a program known as Project Roomkey that temporarily sheltered the most vulnerable members of the county's homeless population in hotel
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ATTACHMENT B AFFH GOALS SUMMARY

			<p>rooms. And the LACDA has offered 600 PBVs (including Project-Based Veterans Affairs Supportive Housing vouchers) to NOFA 26-A and has received requests for 900 PBV/PBVASH, for projects located in Altadena, Alhambra, El Monte, Huntington Park, Compton, Cudahy, Montebello, Baldwin Park, Palmdale, Lancaster (2), Quartz Hill, and unincorporated Los Angeles (6). Commitments for these projects are pending review and approval. Converting tenant-based vouchers to PBVs is necessary to increase the stock of affordable housing for special needs populations who face increasing barriers trying to find housing in the area's private rental market.</p> <p>3. LACDA assures that its Notice of Funding Availability for Project-Based Vouchers includes requirements that mandate affirmative marketing, tenant selection, and reasonable accommodation/reasonable modification practices that fully comply with Section 504, Title II of the ADA, FHA and FEHA.</p> <p>4. No activity to report.</p> <p>5. The Los Angeles County Board of Supervisors for FY 2019-2020 committed \$14,189,000 million and for FY 2020-21 \$7,922,000 million for LACDA's Housing Incentive Program (HIP) to support homeless families to secure housing. The HIP program continues to provide Security Deposit payment services to VASH families, furniture assistance and transit services.</p> <p>6. The LACDA's Open Doors initiative as is a wraparound service for landlords to that is designed to encourage them to conduct business with the LACDA and rent to Section 8 Voucher holders to prevent homelessness. \$4.1 Million in funding for this initiative came from Los Angeles County. The initiative is intended to further fair housing and entice participation among private and accessible rental markets. Specialized staff assist with the wraparound services and any concerns that arise. The LACDA has provided over 950</p>
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ATTACHMENT B AFFH GOALS SUMMARY

			owners with Sign-On Bonuses, Vacancy Loss Payments, Damage Mitigation, and Security Deposit assistance.
Enhance Transit Services	Access to transportation for parents and children	1. Enhance Access to Opportunities	LACDA informs residents of resources and options for transportation through its website.
	Lack of availability of bus passes	1. Enhance Access to Opportunities	LACDA informs residents of resources and options for transportation through its website.
Other fair housing goals	Lack of resources and services for working families (e.g., helping find housing for minorities)	<ol style="list-style-type: none"> 1. Enhance and continue resident services programs for all residents, including specialized programs for youth annually. 2. Provide information regarding the Los Angeles County Resource Center through the LACDA website. 3. Continue to provide college scholarships through the CDF as funding permits, annually. 4. Provide computer classes/labs, afterschool programs for youth, financial literacy, nutrition workshops, and enrichment activities at the LACDA Family Learning Centers (FLCs). LACDA will provide services to approximately 200 residents annually. 5. Conduct outreach to parents with Limited English Proficiency and computer access annually. 	<ol style="list-style-type: none"> 1. The RSP continues special focus on College Readiness for high school youth 2. Information is on LACDA website. 3. 27 Scholarships awarded 4. 280 residents served in FLC for adult and for youth programs. 5. Currently ESL classes are being taught at Carmelitos and Nueva Maravilla. Outreach was done at all sites inviting them to participate.
	Access to affordable childcare	Continue to refer residents annually to child care centers that provide services to low income families. LACDA has child care centers in Harbor Hills, Nueva Maravilla, and off-site childcare centers through the Long Beach Head Start program and at the Bright Futures Child Development Center in South Los Angeles.	Case Managers make referrals as needed to residents in need of childcare.

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

➤ EFFECTIVE
07/01/21

Los Angeles County Development
Authority



Admissions and Continued Occupancy Policy (ACOP)

LOS ANGELES COUNTY DEVELOPMENT AUTHORITY

Approved by the HA Board of Commissioners:

Submitted to HUD:

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Introduction

ABOUT THE ACOP AND THE PUBLIC HOUSING LEASE

LACDA policy must be consistent with the public housing lease and any policy documents provided to tenants, and the lease and policy documents must comply with federal and state law.

The ACOP contains policies that reflect the terms of your public housing lease. Policies on a particular topic may be included in the public housing lease or may be a separate document incorporated in the lease by reference, such as a pet policy or transfer policy.

Because of variations in state and local landlord-tenant law, and because HUD affords the LACDAs wide discretion in some areas, a broad range of policies could be acceptable. Only a few of these compliant policies can be listed in the ACOP.

If you are assured that your current board-approved public housing lease or separate policy document is up-to-date and is compliant with HUD requirements and with federal, state, and local laws, then it is neither necessary nor advisable to revise the terms of your lease or policy document to match default policies in the ACOP. Instead, you should edit the ACOP to match the terms of your existing public housing lease.

REFERENCES CITED IN THE ACOP

Authority for LACDA policies is derived from many sources. Primary among these sources are regulations and guidance issued by HUD. State law also directs LACDA policy. State law must be followed where such law exists and does not conflict with federal regulations. In the absence of legal requirements or HUD guidance, industry practice may lead to LACDA policy. Finally, the public housing lease will affect LACDA policy and therefore must be consistent with federal and state laws and regulations.

HUD

HUD provides the primary source of LACDA policy through federal regulations, HUD Notices and handbooks. Compliance with federal regulations, current HUD Notices and HUD handbooks is mandatory.

HUD provides nonmandatory guidance to LACDAs through HUD published guidebooks. Expired HUD Notices and handbooks also provide guidance for LACDA policy. Following HUD guidance is optional, as long as LACDA policies comply with federal law, federal regulations and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, LACDA reliance on HUD guidance provides the LACDA with a “safe harbor.”

Content contained on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations to a specific pattern.

State Law

Where there is no mandatory federal guidance, LACDAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the LACDA should follow the state law.

Industry Practice

Where no law or HUD authority exists on a particular subject, industry practice may support LACDA policy. An industry practice is a way of doing things that is followed by most housing authorities.

RESOURCES CITED IN THE ACOP

The ACOP cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the ACOP may contain the entire name of the document or resource. Following is a key to abbreviations used for various sources that are frequently cited in the ACOP, and a list of references and document locations that are referenced in the ACOP or that may be helpful to you.

Abbreviations

Throughout the ACOP, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited by the ACOP.

Abbreviation	Document
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
HUD-50058 IB	HUD-50058 Instruction Booklet
PH OCC GB	Public Housing Occupancy Guidebook, June 2003
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions
VG	Verification Guidance, March 2004 (attachment to PIH Notice 2004-1)

Resources and Where to Find Them

Following is a list of resources helpful to the LACDA or referenced in the ACOP, and the online location of each.

Document and Location
Code of Federal Regulations http://www.ecfr.gov
Earned Income Disregard FAQs https://www.hud.gov/program_offices/public_indian_housing/phr/about/ao_faq_eid
Enterprise Income Verification (EIV) System LACDA Security Procedures, Version 1.2, issued January 2005 https://www.hud.gov/sites/documents/EIVSECGUIDEPHA.PDF
Executive Order 11063 https://www.archives.gov/federal-register/codification/executive-order/11063.html
Federal Register https://www.federalregister.gov/
HUD-50058 Instruction Booklet https://www.hud.gov/sites/documents/FORM50058INSTRUCTBOOKLET.PDF
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf
Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007 https://www.lep.gov/guidance/HUD_guidance_Jan07.pdf
Notice PIH 2010-26, Nondiscrimination and Accessibility Notice http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf

Notice PIH 2017-12, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System

<https://www.hud.gov/sites/documents/PIH2017-12EIVNOTICE.PDF>

Notice PIH 2018-24, Verification of Social Security Numbers (SSNs) Social Security (SS) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report

https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2018-24_EIV_SSN_Notice_FINAL.pdf

OMB Circular A-133

<https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/a133.pdf>

Public Housing Occupancy Guidebook, June 2003

https://www.hud.gov/sites/documents/DOC_10760.PDF

VAWA Reauthorization Act of 2013

<http://www.gpo.gov/fdsys/pkg/FR-2013-08-06/pdf/2013-18920.pdf>

The HUD website is <https://www.hud.gov/>.

Guidebooks, handbooks, and other HUD resources may be found at the HUDClips website:

https://www.hud.gov/program_offices/administration/hudclips.

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The LACDA receives its operating subsidy for the public housing program from the Department of Housing and Urban Development. The LACDA is not a federal department or agency. A public housing agency (LACDA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The LACDA enters into an Annual Contributions Contract with HUD to administer the public housing program. The LACDA must ensure compliance with federal laws, regulations and notices and must establish policies and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the LACDA and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Los Angeles County Development Authority (LACDA). This part includes a description of the LACDA, its jurisdiction, its programs, and its mission and intent.

Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.

Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE LACDA

1-I.A. OVERVIEW

This part describes the LACDA's creation and authorization, the general structure of the organization, and the relationship between the LACDA Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF THE LACDA

Public housing is funded by the federal government and administered by the Los Angeles County Development Authority (LACDA) for the jurisdiction of Los Angeles County, California.

LACDAs are governed by a board of officials that are generally called “commissioners.” Although some LACDAs may use a different title for their officials, this document will hitherto refer to the “board of commissioners” or the “board” when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the LACDA conducts business, and ensures that those policies are followed by LACDA staff. The board is responsible for preserving and expanding the agency’s resources and assuring the agency’s continued viability and success.

Formal actions of the LACDA are taken through written resolutions, adopted by the board and entered into the official records of the LACDA.

The principal staff member of the LACDA is the executive director (ED), who is selected and hired by the board. The ED oversees the day to day operations of the LACDA and is directly responsible for carrying out the policies established by the commissioners. The ED’s duties include hiring, training, and supervising the LACDA’s staff, as well as budgeting and financial planning for the agency. Additionally, the ED is charged with ensuring compliance with federal and state laws, and program mandates. In some LACDAs, the ED is known by another title, such as chief executive officer or president.

1-I.C. LACDA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides the basis for strategy development, identification of critical success factors, resource allocation decisions, as well as ensuring client and stakeholder satisfaction.

LACDA Policy

The LACDA's mission is to provide safe, decent and sanitary housing conditions within a suitable living environment for very low-income and low-income families and to manage resources efficiently. The LACDA is to promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to non-subsidized housing.

1-I.D. THE LACDA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the LACDA is committed to providing excellent service to all public housing applicants, residents, and the public. In order to provide superior service, the LACDA resolves to:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair – in compliance with program uniform physical condition standards – for very low- and low-income families.
- Achieve a healthy mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low- and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the public housing program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the LACDA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the LACDA's support systems and commitment to our employees and their development.

The LACDA will make every effort to keep residents informed of program rules and regulations, and to advise participants of how the program rules affect them.

PART II: THE PUBLIC HOUSING PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff an overview of the history and operation of public housing.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives, known as public housing. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the public housing program for the first time. Until that time, public housing was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the public housing program and provide residents with greater choices. It also allowed LACDAs more remedies to replace or revitalize severely distressed public housing developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for LACDAs to develop five-year and annual plans; income targeting, a requirement that 40% of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families; and resident self-sufficiency incentives.

1-II.B. PUBLIC HOUSING PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the LACDA to administer programs in accordance with HUD regulations and provides an operating subsidy to the LACDA. The LACDA must create written policies that are consistent with HUD regulations. Among these policies is the LACDA's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the board of commissioners of the LACDA.

The job of the LACDA pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The LACDA screens applicants for public housing and, if they are determined to be eligible for the program, the LACDA makes an offer of a housing unit. If the applicant accepts the offer, the LACDA and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the LACDA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as "residents." The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context.

Since the LACDA owns the public housing development, the LACDA is the landlord. The LACDA must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with HUD regulations and LACDA policy.

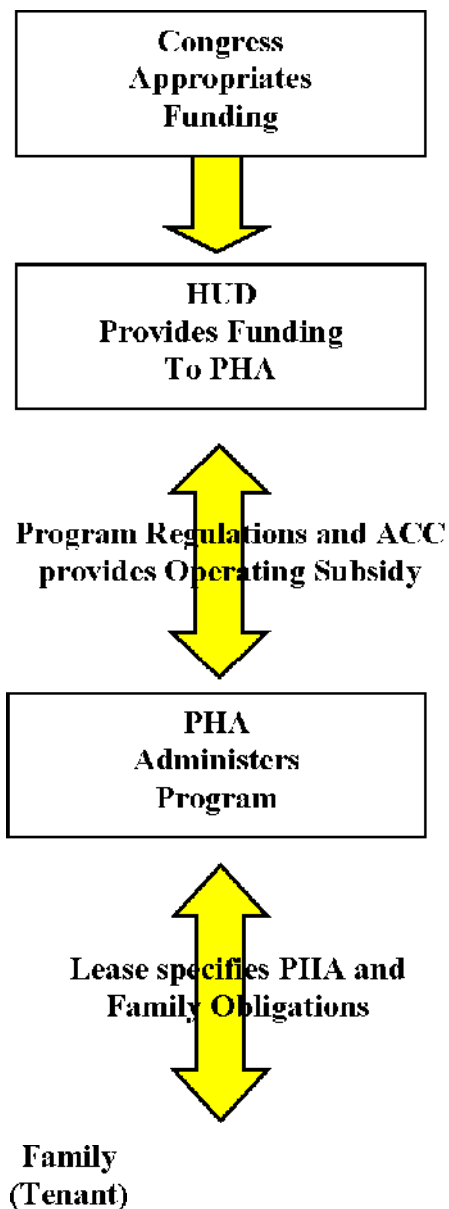
1-II.C. PUBLIC HOUSING PARTNERSHIPS

To administer the public housing program, the LACDA must enter into an Annual Contributions Contract (ACC) with HUD. The LACDA also enters into a contractual relationship with the tenant through the public housing lease. These contracts define and describe the roles and responsibilities of each party.

In addition to the ACC, the LACDA and family must also comply with federal regulations and other HUD publications and directives. For the program to work and be successful, all parties involved – HUD, the LACDA, and the tenant – play an important role.

The chart on the following page illustrates key aspects of these relationships.

The Public Housing Relationships



What does HUD do?

Federal law is the source of HUD responsibilities. HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement housing legislation passed by Congress
- Allocate operating subsidies to LACDAs
- Allocate capital funding to LACDAs
- Provide technical assistance to LACDAs on interpreting and applying program requirements
- Monitor LACDA compliance with program requirements and LACDA performance in program administration.

What does the LACDA do?

The LACDA's responsibilities originate in federal regulations and the ACC. The LACDA owns and manages public housing developments, administers the program under contract with HUD and has the following major responsibilities:

- Ensure compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensure that the program is accessible to persons with disabilities
- Establish local policies and procedures for operating the program
- Accept applications from interested applicant families and determine whether they are income eligible for the program
- Maintain waiting list and select families for admission
- Screen applicant families for suitability as renters
- Maintain housing units by making any necessary repairs in a timely manner
- Make unit offers to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- Make sure the LACDA has adequate financial resources to maintain its housing stock
- Perform regular reexaminations of family income and composition in accordance with HUD requirements
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service
- Comply with HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the LACDA's ACOP, and other applicable federal, state and local laws.

What does the tenant do?

The tenant's responsibilities are articulated in the public housing lease. The tenant has the following broad responsibilities:

- Comply with the terms of the lease and LACDA house rules, as applicable
- Provide the LACDA with complete and accurate information, determined by the LACDA to be necessary for administration of the program
- Cooperate in attending all appointments scheduled by the LACDA
- Allow the LACDA to inspect the unit at reasonable times and after reasonable notice
- Take responsibility for care of the housing unit, including any violations of uniform physical condition standards caused by the family
- Not engage in drug-related or violent criminal activity
- Notify the LACDA before moving or termination of the lease
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit or assign the lease
- Promptly notify the LACDA of any changes in family composition
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs
- Take care of the housing unit and report maintenance problems to the LACDA promptly

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled in an effective manner.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: LACDA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY

POLICIES 1-III.A. OVERVIEW AND PURPOSE OF THE POLICY

The ACOP is the LACDA's written statement of policies used to carry out the housing program in accordance with federal law and regulations, and HUD requirements. The ACOP is required by HUD and it must be available for public review [CFR 24 Part 903]. The ACOP also contains policies that support the objectives contained in the LACDA's Agency Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. The LACDA is responsible for complying with all changes in HUD regulations pertaining to public housing. If such changes conflict with this plan, HUD regulations will have precedence.

1-III.B. CONTENTS OF THE POLICY

Unlike the housing choice voucher program, HUD regulations for public housing do not contain a list of what must be included in the ACOP. However, individual regulations contain requirements of inclusion in the LACDA's written policy. At a minimum, the ACOP plan should cover LACDA policies on these subjects:

- The organization of the waiting list and how families are selected and offered available units, including any LACDA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the LACDA waiting list (Chapters 4 and 5)
- Transfer policies and the circumstances under which a transfer would take precedence over an admission (Chapter 12)
- Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed (Chapters 3 and 5)
- Procedures for verifying the information the family has provided (Chapter 7)
- The method for achieving deconcentration of poverty and income-mixing of public housing developments (Chapter 4)
- Grievance procedures (Chapter 14)
- Policies concerning payment by a family to the LACDA of amounts the family owes the LACDA (Chapter 15 and 16)
- Interim redeterminations of family income and composition (Chapter 9)
- Policies regarding community service requirements; (Chapter 11)
- Policies and rules about safety and ownership of pets in public housing (Chapter 10).

New Approach to Policy Development

HUD has developed an approach to monitoring LACDAs that emphasizes the importance of consistency in operation and decision-making. The ACOP supports that goal by clearly setting forth the LACDA's operating policies.

A primary focus of HUD's Rental Integrity Monitoring (RIM) program has been consistency in how LACDAs conduct their business and in how HUD monitors LACDA activities. Referring to and following the ACOP is essential to maintaining consistency in applying LACDA policy.

HUD makes a distinction between mandatory policies and non-mandatory policies:

- Mandatory policies: those driven by legislation, regulations, current handbooks, current PIH notices, and legal opinions from the Office of General Counsel
- Optional, non-binding guidance: includes guidebooks, FAQs, PIH notices that have expired, and recommendations from individual HUD staff.

HUD expects LACDAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the LACDA has adopted. The ACOP is comprised of mandatory policies and optional LACDA policy. HUD's new direction emphasizes the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

HUD suggestions, recommendations, written issuances, and guidance are consistent with mandatory federal policy. Therefore, using HUD guidance in the preparation of LACDA policy, even though it is not mandatory, provides a LACDA with a "safe harbor." If a LACDA adopts its own optional policy, it must make its own determination that such policy is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than that suggested by HUD, but LACDAs should carefully think through those decisions and be able to articulate how their policy is consistent with federal laws, regulations and mandatory policy.

1-III.C. UPDATING AND REVISING THE POLICY

The LACDA will revise this ACOP as needed to comply with changes in HUD regulations. The original policy and any changes must be approved by the board of commissioners of the LACDA, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

LACDA Policy

The LACDA will review and update the ACOP as needed to reflect changes in regulations, LACDA operations, or when needed to ensure staff consistency in operation.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring LACDAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and procedures. The responsibility to further nondiscrimination pertains to all areas of the LACDA's public housing operations.

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

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the LACDA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the public housing program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the LACDA to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require LACDAs to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The LACDA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- The Violence against Women Act of 2013 (VAWA)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

LACDA Policy

No state or local nondiscrimination laws or ordinances apply.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as LACDA policies, can prohibit discrimination against additional classes of people.

The LACDA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”).

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

The LACDA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

LACDA Policy

The LACDA shall not discriminate on the basis of race, color, religion, sex, gender, gender identity and expression, family status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18), national origin, marital status, ancestry, age, sexual orientation, disability, medical condition, source of income, genetic information, military and veteran status, arbitrary characteristics, or any other basis prohibited by law in the leasing, rental, or any other disposition of housing or related facilities.

The LACDA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Subject anyone to sexual harassment
- Restrict anyone's access to any benefit enjoyed by others in connection with the program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class

- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families

The LACDA must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the LACDA will provide information to public housing applicant families about civil rights requirements.

Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the LACDA, the family should advise the LACDA. The LACDA should make every reasonable attempt to determine whether the applicant or tenant family's assertions have merit and take any warranted corrective action.

In all cases, the LACDA may advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Upon receipt of a housing discrimination complaint, the LACDA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

LACDA Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the LACDA either orally or in writing.

Within 10 business days of receiving the complaint, the LACDA will provide a written notice to those alleged to have violated the rule. The LACDA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The LACDA will attempt to remedy discrimination complaints made against the LACDA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the LACDA's investigation, the LACDA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The LACDA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

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

The LACDA must ensure that persons with disabilities have full access to the LACDA's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the public housing program [24 CFR 8].

The LACDA must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy [24 CFR 966.7(b)].

LACDA Policy

The LACDA will ask all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the LACDA, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”

A specific position will be provided as the contact person for requests for accommodation for persons with disabilities.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A “reasonable accommodation” is a change, exception, or adjustment to a policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since policies and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

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

Types of Reasonable Accommodations

When it is reasonable (see definition above and Section 2-II.E), the LACDA shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- Permitting applications and reexaminations to be completed by mail
- Providing “large-print” forms
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- Installing a ramp into a dwelling or building
- Installing grab bars in a bathroom
- Installing visual fire alarms for hearing impaired persons
- Allowing a LACDA-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space
- Allowing an assistance animal
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with LACDA staff
- Displaying posters and other housing information in locations throughout the LACDA's office in such a manner as to be easily readable from a wheelchair

2-IL.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the LACDA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the LACDA's programs and services.

If the need for the accommodation is not readily apparent or known to the LACDA, the family must explain the relationship between the requested accommodation and the disability.

LACDA Policy

The LACDA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the LACDA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2-III.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the LACDA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the LACDA's programs and services.

If a person's disability is obvious or otherwise known to the LACDA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

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

When verifying a disability, the LACDA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].
- The LACDA must request only information that is necessary to evaluate the disability-related need for the accommodation. The LACDA may not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the LACDA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the LACDA will dispose of it. In place of the information, the LACDA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-III.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26]

The LACDA must approve a request for an accommodation if the following three conditions are met.

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the LACDA, or fundamentally alter the nature of the LACDA's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the overall size of the LACDA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the LACDA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the LACDA may verify the need for the requested accommodation.

LACDA Policy

After a request for an accommodation is presented, the LACDA will respond, in writing, within 30 calendar days.

If the LACDA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the LACDA's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the LACDA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the LACDA's operations), the LACDA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

If the LACDA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the LACDA will notify the family, in writing, of its determination within 10 business days of that determination. The notice will inform the family of the right to appeal the LACDA's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the LACDA to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the LACDA's programs and services [24 CFR 8.6].

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

LACDA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with LACDA staff, one-on-one assistance will be provided upon request.

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

2-II.G. PHYSICAL ACCESSIBILITY

The LACDA must comply with a variety of regulations pertaining to physical accessibility, including the following.

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The LACDA's policies concerning physical accessibility must be readily available to applicants and resident families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the LACDA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The LACDA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of LACDA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Notice PIH 2010-26 contains specific information on calculating the percentages of units for meeting UFAS requirements.

Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A LACDA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the LACDA's grievance process [24 CFR 966.4(1)(3)(ii)].

When reviewing reasonable accommodation requests, the LACDA must consider whether reasonable accommodation will allow the family to overcome the problem that led to the LACDA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the LACDA must make the accommodation [24 CFR 966.7].

In addition, the LACDA must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

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

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

LEP persons are defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are public housing applicants and resident families, and parents and family members of applicants and resident families.

In order to determine the level of access needed by LEP persons, the LACDA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the public housing program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the LACDA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the LACDA.

2-III.B. ORAL INTERPRETATION

The LACDA will offer competent interpretation services free of charge, upon request, to the LEP person.

LACDA Policy

The LACDA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits.

The LACDA will utilize a language line for telephone interpreter services.

Where feasible and possible, according to its language assistance plan (LAP), the LACDA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other LACDAs, and will standardize documents.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

LACDA Policy

In order to comply with written-translation obligations, the LACDA will take the following steps:

The LACDA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the LACDA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the LACDA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the LACDA's public housing program and services.

LACDA Policy

The LACDA has developed a written LEP plan, taking the following actions: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the LACDA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the public housing program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the public housing program, yet an accommodation is needed to provide equal opportunity.

Chapter 3

ELIGIBILITY

INTRODUCTION

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

To be eligible for the public housing program:

- The applicant family must:
 - Qualify as a family as defined by HUD and the LACDA.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for household members as required.
 - Consent to the LACDA's collection and use of family information as provided for in LACDA-provided consent forms.
- The LACDA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the LACDA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and LACDA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the LACDA to deny admission.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD

MEMBERS 3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members and explains HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/03/12, and Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the public housing program.

Family

To be eligible for admission, an applicant must qualify as a family. *Family* as defined by HUD, includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The LACDA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.

LACDA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the LACDA's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY

Family Breakup

Except under the following conditions, the LACDA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the LACDA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-VII.D of this plan.)
- If a court determines the disposition of property between members of the assisted family, the LACDA is bound by the court's determination of which family members continue to receive assistance.

LACDA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may submit a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an applicant or resident family, the LACDA will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the LACDA will determine which family will retain their placement on the waiting list or continue in occupancy. In making its determination, the LACDA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave a public housing unit as a result of such actual or threatened abuse, and provides documentation in accordance with section 16-VII.D of this ACOP; (4) any possible risks to family members as a result of criminal activity, (5) in the case of applicant families, who was named as head of household at the time of application; and (6) the recommendations of social service professionals.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

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

LACDA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

LACDA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

LACDA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

LACDA Policy

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

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

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to determine if attendance is full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100, 5.403, 945.105, and FR Notice 02/03/12]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for the elderly family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]

Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the LACDA must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the LACDA's services.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance and the medical allowance as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the LACDA from denying admission or taking action under the lease for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter and in Chapter 13.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near LACDA premises [24 CFR 966.4(f)].

LACDA Policy

A resident family must notify the LACDA when overnight guests will be staying in the unit for more than three days. A guest can remain in the unit no longer than 10 consecutive days or a total of 14 cumulative calendar days during any 12-month period.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 10 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

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

Former residents who have been evicted may be banned from being overnight guests, according to the LACDA's banning policy, depending upon the reason for eviction.

Guests who represent the public housing unit address as their residence address or address of record for receipt of benefits or any other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered to be unauthorized occupants, and their presence constitutes a violation of the lease.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c)(2)].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

LACDA Policy

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

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

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

Definitions of Temporarily and Permanently Absent

LACDA Policy

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

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

Absent Students

LACDA Policy

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

Absences Due to Placement in Foster Care [24 CFR 5.403]

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

LACDA Policy

If a child has been placed in foster care, the LACDA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

However, if the time period is to be greater than 180 days from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the LACDA's occupancy guidelines

Absent Head, Spouse, or Cohead

LACDA Policy

An employed head, spouse, or cohead absent from the unit for 90 consecutive days or more due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

LACDA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the LACDA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent, up to 120 consecutive days as long as rent and other charges remain current.

If the verification indicates that the family member will return in less than 120 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remain current.

A resident may request a reasonable accommodation to have a longer absence approved.

The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Return of Permanently Absent Family Members

LACDA Policy

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

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the person(s), (2) is not obligated for the support of the person(s), and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The LACDA must approve a live-in aide if needed as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 8.

A live-in aide is considered a household member but not a family member. The income of the live-in aide is not counted in determining the annual income of the family [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

LACDA Policy

A family's request for a live-in aide may be made either orally or in writing. The LACDA will verify the need for a live-in aide, if necessary, with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker. For continued approval, the family may be required to submit a new, written request—subject to LACDA verification—at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The LACDA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person has a history of drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the LACDA or to another LACDA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 30 calendar days of receiving a request for a live-in aide, including all required documentation related to the request, the LACDA will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to establish income limits that determine the income eligibility of applicants for HUD's assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of the median incomes for families of different sizes in a particular area or county.

Types of Low-Income Families [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

HUD also publishes over-income limits annually, but these are not used at admission. Over-income limits will be discussed in Chapter 13.

Using Income Limits for Eligibility [24 CFR 960.201]

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

Using Income Limits for Targeting [24 CFR 960.202(b)]

At least 40 percent of the families admitted from the LACDA waiting list to the public housing program during a LACDA fiscal year must be *extremely low-income* families. This is called the “basic targeting requirement.”

If admissions of extremely low-income families to the LACDA’s housing choice voucher program during a LACDA fiscal year exceed the 75 percent minimum targeting requirement for that program, such excess shall be credited against the LACDA’s public housing basic targeting requirement for the same fiscal year.

The fiscal year credit for housing choice voucher program admissions that exceed the minimum voucher program targeting requirement must not exceed the lower of:

- Ten percent of public housing waiting list admissions during the LACDA fiscal year
- Ten percent of waiting list admission to the LACDA’s housing choice voucher program during the LACDA fiscal year
- The number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

For discussion of how income targeting is used in tenant selection, see Chapter 4.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the LACDA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the LACDA to request additional documentation of their status, such as a passport.

LACDA Policy

Family members who declare citizenship or national status will be required to provide additional documentation to verify eligible status.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with LACDA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The LACDA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of grievance hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A LACDA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the LACDA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

LACDA Policy

The LACDA will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen.

When a LACDA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be promptly notified of the determination.

The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request a grievance hearing with the LACDA. The grievance hearing with the LACDA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the grievance hearing process.

Grievance hearing procedures are contained in Chapter 14.

Time Frame for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the resident family the LACDA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the LACDA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

LACDA Policy

The LACDA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2018-24]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age six has been added to an applicant family within the six months prior to program admission, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of admission. A detailed discussion of acceptable documentation is provided in Chapter 7.

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

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

The LACDA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The LACDA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the LACDA to obtain information that the LACDA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

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

In addition, HUD requires or permits the LACDA to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The LACDA's authority in this area is limited by the Violence against Women Act of 2013 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005(b)].

While the regulations state that the LACDA must prohibit admission for certain types of criminal activity and give the LACDA the option to deny for other types of previous criminal history, more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual's criminal history merits denial of admission.

When considering any denial of admission, LACDAs may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of "One Strike" policies and reminds LACDAs of their obligation to safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].

HUD's Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a LACDA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the LACDA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the LACDA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16].

LACDAs who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a LACDA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the LACDA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.

This part covers the following topics:

- Required denial of admission
- Other permitted reasons for denial of admission
- Screening
- Criteria for deciding to deny admission
- Prohibition against denial of admission to victims of domestic violence, dating violence, sexual assault, or stalking
- Notice of eligibility or denial

3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

LACDAs are required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the LACDA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the LACDA prohibit admission for a prescribed period of time after some disqualifying behavior or event, the LACDA may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires the LACDA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last three years for drug-related criminal activity. HUD permits but does not require the LACDA to admit an otherwise-eligible family if the household member has completed a LACDA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

LACDA Policy

The LACDA will admit an otherwise-eligible family who was evicted from federally assisted housing within the past three years for drug-related criminal activity, if the LACDA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the LACDA, or the person who committed the crime is no longer living in the household.

- The LACDA determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

LACDA Policy

Currently engaged in is defined as any use of illegal drugs during the previous twelve months.

- The LACDA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

LACDA Policy

In determining reasonable cause, the LACDA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. A record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity. The LACDA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state lifetime sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits, but does not require the LACDA to deny admission for the reasons discussed in this section.

Criminal Activity [24 CFR 960.203(c)]

The LACDA is responsible for screening family behavior and suitability for tenancy. In doing so, the LACDA may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety, or welfare of other tenants.

LACDA Policy

If any household member is currently engaged in or has engaged in any of the following criminal activities, within the past three years, the family will be denied admission.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].

Criminal activity that may threaten the health or safety of LACDA staff, contractors, subcontractors, or agents.

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members within the past three years. A conviction for such activity will be given more weight than an arrest or an eviction. A record or records of arrest will not be used as the sole basis for the denial or proof that the applicant engaged in disqualifying criminal activity.

In making its decision to deny assistance, the LACDA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the LACDA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior [960.203(c) and (d) and PH Occ GB, p. 48]

HUD authorizes the LACDA to deny admission based on relevant information pertaining to the family's previous behavior and suitability for tenancy.

In the event of the receipt of unfavorable information with respect to an applicant, the LACDA must consider the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the LACDA may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, sexual assault, or stalking.

LACDA Policy

The LACDA will deny admission to an applicant family if the LACDA determines that the family:

Has a pattern of unsuitable past performance in meeting financial obligations, including rent within the past three years

Has a pattern of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other tenants

Owes rent or other amounts to this or any other LACDA or owner in connection with any assisted housing program

Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

Has engaged in or threatened violent or abusive behavior toward LACDA staff

Abusive or violent behavior towards LACDA staff includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny admission, the LACDA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the LACDA may, on a case-by-case basis, decide not to deny admission.

The LACDA will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

3-III.D. SCREENING

Screening for Eligibility

LACDAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the LACDA in complying with HUD requirements and LACDA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the LACDA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

The LACDA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

LACDA Policy

The LACDA will obtain and take into consideration criminal summary history information from State and/or local law enforcement agencies, and the FBI on all applicants over the age of eighteen for the purpose of determining resident suitability.

The LACDA may also obtain and take into consideration public records of past and current criminal history of the applicant and proposed member of the applicant's household. The LACDA uses the Data Compliance System (DCS) which automatically provides publicly available arrest data from Los Angeles County enforcement agencies.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the LACDA may request a fingerprint card and request information from the National Crime Information Center (NCIC).

LACDAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

LACDA Policy

The LACDA will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, LACDAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If the LACDA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the LACDA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

HUD authorizes LACDAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the LACDA may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the LACDA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

Drug Abuse Treatment Facility means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.

Currently engaging in illegal use of a drug means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the LACDA has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the LACDA for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the LACDA chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The LACDA must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or cohead regardless of age.

Policy B: The LACDA must submit a request for information only for certain household members, whose criminal record indicates prior arrests or conviction for any criminal activity that may be a sole basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the LACDA chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

LACDA Policy

The LACDA may obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity, but only when the LACDA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family

claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program and no other means of such verification is available.

Screening for Suitability as a Tenant [24 CFR 960.203(c)]

The LACDA is responsible for the screening and selection of families to occupy public housing units. The LACDA may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

LACDA Policy

The LACDA will consider the family's history with respect to the following factors:

Payment of rent and utilities

Caring for a unit and premises

Respecting the rights of other residents to the peaceful enjoyment of their housing

Criminal activity that is a threat to the health, safety, or property of others

Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C

Compliance with any other essential conditions of tenancy

Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]

LACDAs have a variety of resources available to them for determination of the suitability of applicants. Generally, LACDAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

LACDA Policy

In order to determine the suitability of applicants the LACDA will examine applicant history for the most recent tenancy. Such background checks will include:

Past Performance in Meeting Financial Obligations, Especially Rent

LACDA and landlord references, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the LACDA/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. At the applicant's request, and at the LACDA's discretion, the LACDA may obtain and review more than current landlord references for up to the past three years.

Credit Reports: A lack of credit history will not disqualify someone from becoming a public housing resident. A record of debts owed to a utility company will generally disqualify the applicant family, as will a misrepresentation of bad credit by the applicant family.

Applicants living with family members or friends who are not part of the application will be asked to provide the LACDA with a declaration from those they live with stating their opinion as to the suitability of the applicant.

Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development

LACDA and landlord references, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances. At the applicant's request, and at the LACDA's discretion, the LACDA may obtain and review more than current landlord references for up to the past three years.

A personal reference will be requested to complete a verification of the applicant's ability to care for the unit and avoid disturbing neighbors if no other documentation is available.

Home visits may be used to determine the applicant's ability to care for the unit.

3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION

Evidence

LACDA Policy

The LACDA will use the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 960.203(c)(3) and (d)]

HUD authorizes the LACDA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the LACDA receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, LACDAs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

LACDA Policy

The LACDA will consider the following facts and circumstances prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that denial of admission may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, sexual assault, or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, the LACDA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The LACDA may also consider:

Any statements made by witnesses or the applicant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The LACDA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application

Should the LACDA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the LACDA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the LACDA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the LACDA may permit the family to exclude the culpable family members as a condition of eligibility. [24 CFR 960.203(c)(3)(i)].

LACDA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the LACDA may require the head of household to certify that the family member will not be permitted to visit or to stay as a guest in the public housing unit, depending on the nature and the severity of the criminal act.

After admission to the program, the family must present evidence of the former family member's current address upon LACDA request.

Reasonable Accommodation [PH Occ GB, pp. 58-60]

If the family includes a person with disabilities, the LACDA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

LACDA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the LACDA will determine whether the behavior is related to the disability. If so, upon the family's request, the LACDA will determine whether alternative measures are appropriate as a reasonable accommodation. The LACDA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit LACDAs from denying admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Definitions of key terms used in VAWA are provided in section 16-VII of this ACOP, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for LACDAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

LACDA Policy

The LACDA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the LACDA's policies.

While the LACDA is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform the LACDA that their status as a victim is directly related to the grounds for the denial. The LACDA will request that the applicant provide enough information to the LACDA to allow the LACDA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The LACDA will include in its notice of denial information about the protection against denial provided by VAWA in accordance with section 16-VII.C of this ACOP, a notice of VAWA rights, and a copy of the form HUD-5382. The LACDA will request in writing that an applicant wishing to claim this protection notify the LACDA within 14 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

LACDA Policy

If an applicant claims the protection against denial of admission that VAWA provides to victims of domestic violence, dating violence, sexual assault, or stalking, the LACDA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-VII.D of this ACOP.

Perpetrator Documentation

LACDA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the public housing unit.

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

3-III.G. NOTICE OF ELIGIBILITY OR DENIAL

The LACDA will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a LACDA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the LACDA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

LACDA Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the LACDA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 calendar days to dispute the accuracy and relevance of the information. If the family does not contact the LACDA to dispute the information within that 10 day period, the LACDA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault, or stalking are contained in Section 3-III.F.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions.

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:
 - Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months
 - In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:
 - (A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that-
 - (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - (ii) is manifested before the individual attains age 22;
 - (iii) is likely to continue indefinitely;
 - (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and
 - (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.
 - (B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.
- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

- (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine
- (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

- (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation
- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment
- (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the LACDA with the information needed to determine the family's eligibility. HUD requires the LACDA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the LACDA must select families from the waiting list in accordance with HUD requirements and LACDA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The LACDA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the LACDA to receive preferential treatment.

HUD regulations require that the LACDA comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the LACDA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and LACDA policies for accepting applications, managing the waiting list and selecting families from the waiting list. The LACDA's policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the LACDA's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

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

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

Part III: Tenant Selection. This part describes the policies that guide the LACDA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the LACDA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the LACDA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the LACDA's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the LACDA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the LACDA. However, the LACDA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the LACDA's application [Notice PIH 2009-36].

LACDA Policy

PROCEDURES FOR INITIAL APPLICATION TO A WAITING LIST:

The purpose of the initial application is to permit the LACDA to determine placement on the waiting lists. At the time of the application intake, whether through the application line or website, the LACDA will obtain the following information:

- Name, address and social security number of the head of household;
- Name and social security number of any co-head, spouse/marital-type partner;
- Name and social security number of each additional household member;
- Date and time of application;
- Amount and source of annual income;
- Information regarding request for reasonable accommodation or a need for an accessible unit with specific features.
- Employment address.

The LACDA requires that applicants inform the LACDA of changes in family composition and address within 30 calendar days of the occurrence. The LACDA also requires that applicants respond to requests from the LACDA to update information on their application, or to determine their continued interest for assistance.

Initial application and placement on the waiting list:

If the head of household/co-head and/or spouse/marital-type partner no longer need housing assistance, or are deceased, their application and placement on the waiting list will be immediately forfeited and cannot be transferred to any other family member or person.

Multiple families in the same household

When families apply that consist of two families living together, (such as a mother and father, and a daughter with their own husband or children), if they apply as a family unit, they will be treated as a family unit and will only be provided one unit if offered housing.

NOTIFICATION OF APPLICANT STATUS

Upon submission of the initial application, the LACDA will post on the online waiting list registration page the applicant's eligibility and waiting list(s) status.

Should the family be determined as ineligible, based on the information provided during the initial application, the LACDA will notify the family in writing (or in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal hearing. Persons with disabilities may request to have an advocate attend the informal hearing as an accommodation. Refer to the chapter "Grievances and Appeals."

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

The LACDA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the standard LACDA application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

The LACDA must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible, or the LACDA must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the LACDA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

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

4-I.D. PLACEMENT ON THE WAITING LIST

The LACDA must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the LACDA determines the family to be ineligible. Where the family is determined to be ineligible, the LACDA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

Eligible for Placement on the Waiting List

LACDA Policy

Once the family's application is complete and submitted, the LACDA's website will notify that the application was accepted.

Applicants will be placed on the waiting list according to LACDA preference(s) and the date and time their complete application is received by the LACDA.

The LACDA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to LACDA standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the LACDA will verify any preference(s) claimed and determine eligibility and suitability for admission to the program.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The LACDA must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

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

4-II.B. ORGANIZATION OF THE WAITING LIST

The LACDA's public housing waiting list must be organized in such a manner to allow the LACDA to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

LACDA Policy

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

- Name and social security number of head of household
- Unit size required (number of family members)
- Amount of annual income
- Employment address, if applicable
- Accessibility requirement, if any
- Date and time of application or application (prospect) number
- Household type (family, elderly, disabled)
- Admission preference, if any
- Race and ethnicity of the head of household
- The specific site(s)/waiting list selected

The LACDA may adopt one community-wide waiting list or site-based waiting lists. The LACDA must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

LACDA Policy

Generally, the LACDA has adopted site-based waiting lists:

General Occupancy

Carmelitos Family
East County Family (for multiple general occupancy sites)
Quartz Hill Family
Harbor Hills Family
Santa Monica Family
South Scattered Sites Family

Elderly-Designated

South Bay Gardens Senior Carmelitos Senior
East County Senior (for multiple elderly-designated sites)
West Knoll/Palm Senior Marina Manor Senior Orchard Arms Senior

HUD requires that public housing applicants must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the LACDA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].

HUD permits, but does not require, that LACDAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

LACDA Policy

The LACDA will not merge the public housing waiting list with the waiting list for any other program the LACDA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

The LACDA is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fully lease units in all of its developments. The LACDA may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].

LACDA Policy

The LACDA will close the waiting list when the LACDA estimates there are a sufficient number of applicants to meet projected vacancy needs.

Where the LACDA has particular preferences or other criteria that require a specific category of family, the LACDA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it may be reopened at any time. The LACDA should publish a notice announcing the opening of the waiting list in local newspapers of general circulation, minority media, and other suitable media outlets. Such notice must comply with HUD fair housing requirements. The LACDA should specify who may apply, and where and when applications will be received.

LACDA Policy

The LACDA, at its discretion, may restrict application intake, suspend application intake, and close waiting lists in whole or in part. The decision to close any of the thirteen waiting lists will be based on the number of applications available for a particular size and type of unit, and the ability of the LACDA to house an applicant in an appropriate units within a reasonable period of time.

The LACDA will publicly announce the decision to close any of the thirteen waiting lists and/or restrict intake through public notice in local newspaper publications, media entities, and social service agencies. The public notice will contain the date and time when the LACDA will close a waiting list. Generally, the LACDA will give at least ten days' notice prior to closing any of the thirteen site based waiting lists. Furthermore, during the period when a waiting list is closed, the LACDA will not maintain a list of individuals who wish to be notified when a waiting list is open.

Upon a reasonable accommodation request from a person with a disability, an accommodation may be granted such as additional time for submission of an application after the closing deadline. An individual may request a reasonable accommodation at any time.

Opening of a waiting list will be announced in the same manner as closing of a waiting list. This notice will be made in an accessible format if requested. It will provide potential

applicants with information that includes the LACDA address and telephone number, how to submit an application, and information on eligibility requirements.

Unless a waiting list is closed, the LACDA will accept an application, even if the LACDA believes that the applicant is probably not eligible. If an applicant would like to be removed from a waiting list they selected, the applicant must submit a request in writing and submit this request prior to being selected from a specific waiting list.

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

The LACDA should conduct outreach as necessary to ensure that the LACDA has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the LACDA is affirmatively furthering fair housing and complying with the Fair Housing Act.

Because HUD requires the LACDA to admit a specified percentage of extremely low income families, the LACDA may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.

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

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

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

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

LACDA Policy

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

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

LACDA Policy

While the family is on the waiting list, the family must inform the LACDA, within 10 days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be made through the LACDA's website.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

4-ILF. UPDATING THE WAITING LIST

HUD requires the LACDA to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

The decision to remove an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the LACDA's request for information or updates because of the family member's disability, the LACDA must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

LACDA Policy

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

To update the waiting list, the LACDA will send an update notice via first class mail to each family on the waiting list advising the family that if the family continues to be interested in the program, the family must update their application on the LACDA's website by the deadline specified in the notice.

This update request will be sent to the last address that the LACDA has on record for the family. The update request will state that failure to respond by the deadline will result in the applicant's name being removed from the waiting list.

If the family fails to respond by the stated deadline, the family will be removed from the waiting list without further notice.

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

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the LACDA from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the LACDA may reinstate the family if the lack of response was due to LACDA error, or to circumstances beyond the family's control.

Removal from the Waiting List

LACDA Policy

The LACDA will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

If the LACDA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the LACDA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the LACDA's decision (see Chapter 14) [24 CFR 960.208(a)].

PART III: TENANT SELECTION

4-III.A. OVERVIEW

The LACDA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The LACDA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The LACDA must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the LACDA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The LACDA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the LACDA's selection policies [24 CFR 960.206(e)(2)]. The LACDA's policies must be posted any place where the LACDA receives applications. The LACDA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The LACDA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

LACDA Policy

When an applicant or resident family requests a copy of the LACDA's tenant selection policies, the LACDA will provide copies to them free of charge.

4-III.B. SELECTION METHOD

LACDAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the LACDA will use.

Local Preferences [24 CFR 960.206]

LACDAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the LACDA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the LACDA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

LACDA Policy

All Developments

- Veteran's Preference (5 points)

In accordance with the State of California Health and Safety Code section 34322.2, the LACDA provides a preference to families of veterans and servicepersons including the spouse/marital-type partner of a deceased veteran or serviceperson, within each of the admissions preference categories.

General Occupancy Housing Developments

- First Preference:

Homeless Families and Victims of Domestic Violence

Families must consist of two (2) or more persons with one (1) member under 18 years, or an elderly/disabled person:

For the family properties located specifically in the South Los Angeles County area, the LACDA provides an expanded waiting list homeless preference by first offering any unit that becomes available to a homeless family. Additionally, the LACDA provides an expanded waiting list homeless preference, limited to 3 households per housing development at Carmelitos, Nueva Maravilla, and Harbor Hills.

To qualify for this preference, homeless families must be referred by a Joint Powers Authority (JPA), County agencies or Community Based Organizations (CBOs) with a contract or Memorandum of Understanding (MOU) in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals. The referring agency must provide a certification of the family's homeless status.

Transitional Aged Youth (TAY) Preference:

The LACDA provides a homeless preference to TAY. This preference is limited to 3 households per housing development at Carmelitos, Harbor Hills, and Nueva Maravilla, where on-site services are available to ensure that case management will continue to be provided. In order to qualify for the TAY, the applicant must be referred to the LACDA by a JPA, County agencies or CBO with a contract or MOU in place with the LACDA. Additionally, the LACDA will require partner agencies to use a Coordinated Access System for homeless referrals.

- **Second Preference:**

Displaced Family Preference: The LACDA offers a preference to families that have been displaced by a federally declared natural disaster or through federal, state, or local governmental action.

- **Third Preference:**

Residency Preference: The LACDA offers a preference to families who live, work, or have been hired to work within unincorporated Los Angeles County.

Elderly Families Housing Developments

- **First Preference:** For the Carmelitos, Nueva Maravilla “Rosas” and Francisquito Villa senior designated properties, 25% of anticipated annual vacancies will be offered to homeless elderly families. For the Carmelitos site, resident of the City of Long Beach qualify as in-jurisdiction applicants for housing at the Carmelitos site, only.

In order to qualify, elderly families (head of household, spouse or co-head is at least 62 years of age) must be referred by a partnering agency with a contract or MOU in place with the LACDA.

- **Second Preference:** Elderly families that live, work, or have been hired to work in unincorporated Los Angeles County. For the Carmelitos site, residents of the City of Long Beach qualify as in-jurisdiction applicants for housing at the Carmelitos site, only.

Preferences are ranked as shown above, with veterans in each category being selected prior to non-veterans.

Factors Other than Preferences that Affect Selection of Applicants

Before applying its preference system, the LACDA will first match the characteristics of the available unit to the applicants available on a specific waiting list. Factors such as unit size, accessible features, de-concentration or income mixing, income targeting, or units in housing designated for the elderly and/or disabled limit the admission of families to those characteristics that match the characteristics and features of the vacant unit available.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the LACDA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [*Federal Register* notice 6/25/14]. To ensure this requirement is met, the LACDA may skip non-ELI families on the waiting list in order to select an ELI family.

If a LACDA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the LACDA's HCV program during a LACDA fiscal year that exceed the 75 percent minimum target requirement for the voucher program, shall be credited against the LACDA's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the LACDA fiscal year; (2) ten percent of waiting list admissions to the LACDA's housing choice voucher program during the LACDA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of LACDA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

LACDA Policy

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

Mixed Population Developments [24 CFR 960.407]

A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the LACDA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The LACDA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The LACDA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the LACDA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The LACDA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

Units Designated for Elderly or Disabled Families [24 CFR 945]

The LACDA may designate projects or portions of a public housing project specifically for elderly or disabled families. The LACDA must have a HUD-approved allocation plan before the designation may take place.

Among the designated developments, the LACDA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the LACDA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the LACDA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

LACDA Policy

The LACDA does have elderly designated housing:

Carmelitos

Nueva Maravilla “Rosas”

West Knoll

Palm

Marina Manor I

Marina Manor II

Orchard Arms

Foothill Villa

Francisquito Villa

Whittier Manor

Herbert Avenue

South Bay Gardens

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The LACDA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the LACDA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The LACDA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a LACDA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a LACDA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the LACDA must comply with the following steps:

Step 1. The LACDA must determine the average income of all families residing in all the LACDA's covered developments. The LACDA may use the median income, instead of average income, provided that the LACDA includes a written explanation in its annual plan justifying the use of median income.

LACDA Policy

The LACDA will determine the average income of all families in all covered developments on an annual basis.

Step 2. The LACDA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the LACDA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

LACDA Policy

The LACDA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The LACDA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (federal poverty level or 30 percent of median income, whichever number is higher).

Step 4. The LACDA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the LACDA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances the LACDA's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR

- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the LACDA in consultation with the residents and the community through the annual plan process to be responsive to local needs and LACDA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the LACDA's deconcentration policy. The LACDA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the LACDA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the LACDA will be considered to be in compliance with the deconcentration requirement and no further action is required.

LACDA Policy

For developments outside the EIR the LACDA will take the following actions to provide for deconcentration of poverty and income mixing:

Skipping a family on any of the waiting lists to reach another family:

If a unit becomes available at a development below the EIR, the first eligible family on a waiting list with income above the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income above the EIR will be offered the unit. The process will continue in this order.

If there is no family on the waiting list with income above the EIR, or no family with income above the EIR accepts the offer, then the unit will be offered to the next family regardless of income.

If a unit becomes available at a development above the EIR, the first eligible family on the waiting list with income below the EIR will be offered the unit. If that family refuses the unit, the next eligible family on the waiting list with income below the EIR will be offered the unit. The process will continue in this order.

If there is no family on the waiting list with income below the EIR, or no family with income below the EIR accepts the offer, then the unit will be offered to the next family regardless of income.

Skipping of families for de-concentration purposes will be applied uniformly to all families. A family has the sole discretion whether to accept an offer of a unit made under the LACDA's deconcentration policy. The LACDA shall not take any adverse action toward any family for choosing not to accept an offer of a unit under this de-concentration policy.

The LACDA may offer certain incentives to families with incomes above the EIR willing to move into a development with average income below the EIR.

Order of Selection [24 CFR 960.206(e)]

The LACDA system of preferences may select families either according to the date and time of application or by a random selection process.

LACDA Policy

Preferences are ranked as shown above, with veterans in each category being selected prior to non-veterans.

Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the LACDA.

When selecting applicants from the waiting list, the LACDA will match the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The LACDA will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as deconcentration or income mixing and income targeting will also be considered in accordance with HUD requirements and LACDA policy.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the LACDA must notify the family [24 CFR 960.208].

LACDA Policy

The LACDA will notify the family by first class mail when it is selected from the waiting list.

Selected families may be required to attend a face-to-face interview, attend an open house, or complete and return all required documentation by mail or other designated method.

The notice will inform the family of the following:

If an interview or open house is scheduled:

Deadline by which required documents must be returned to the LACDA

Documents that must be provided to document eligibility for a preference, if applicable

Other documents and information to be provided

Date, time, and location of the scheduled interview or open house, including any procedures for rescheduling

Who is required to attend the interview

If no face-to-face meeting or open house is scheduled:

Deadline for submitting the required paperwork

Information regarding what documents are required

If a notification letter is returned to the LACDA, regardless of whether a forwarding address is provided or not, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the LACDA from making an eligibility determination; therefore no informal hearing will be offered.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the LACDA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the LACDA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the LACDA [Notice PIH 2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

LACDA Policy

Families selected from the waiting list may be required to participate in an eligibility interview or attend an open house.

At the LACDA's discretion, all adult family members may be required to attend the interview/open house together. However, the LACDA may waive this requirement on a case-by-case basis, allowing either the head of household or the spouse/cohead to attend the interview/open house on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview/open house will not begin until signed release forms are returned to the LACDA.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the LACDA will proceed with the interview/open house. If the LACDA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the LACDA will provide the family with a written list of items that must be submitted.

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

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

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

If the family is unable to attend a scheduled interview/open house, the family should contact the LACDA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview/open house, the LACDA will send another notification letter with a new interview/open house appointment time. Applicants who fail to attend two scheduled interviews/open houses without LACDA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the LACDA from making an eligibility determination, therefore the LACDA will not offer an informal hearing.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The LACDA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including LACDA suitability standards, the LACDA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

LACDA Policy

The LACDA will notify a promptly of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

The LACDA will expedite the administrative process for determining eligibility to the extent possible for applicants who are admitted to the public housing program as a result of an emergency transfer from another LACDA program.

The LACDA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

LACDA Policy

If the LACDA determines that the family is ineligible, the LACDA will send written notification of the ineligibility promptly of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the LACDA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the LACDA can move to deny the application. See Section 3-III.G for the LACDA's policy regarding such circumstances.

The LACDA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Act of 2013, and as outlined in 16-VII.C, at the time the applicant is provided assistance or at the time the applicant is denied assistance. This notice must be provided in both of the following instances: (1) when a family actually begins receiving assistance (lease execution); or (2) when a family is notified of its ineligibility.

Chapter 5

OCCUPANCY STANDARDS AND UNIT OFFERS

INTRODUCTION

The LACDA must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

This chapter contains policies for assigning unit size and making unit offers. The LACDA's waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise the LACDA's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

Part I: Occupancy Standards. This part contains the LACDA's standards for determining the appropriate unit size for families of different sizes, compositions, and types.

Part II: Unit Offers. This part contains the LACDA's policies for making unit offers, and describes actions to be taken when unit offers are refused.

PART I: OCCUPANCY STANDARDS

5-I.A. OVERVIEW

Occupancy standards are established by the LACDA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from underutilization or from excessive wear and tear due to overcrowding. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the LACDA will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

5-I.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the LACDA may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. LACDAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the LACDA does determine the size of unit the family qualifies for under the occupancy standards, the LACDA does not determine who shares a bedroom/sleeping room.

The LACDA's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

LACDA Policy

The LACDA will use the same occupancy standards for each of its developments.

The LACDA's occupancy standards are as follows:

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

Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.

Foster children will be considered when determining unit size. The family may add foster children to the household as long as it does not overcrowd the unit based on the LACDA's occupancy standards.

Children away at school, but for whom the unit is considered the primary residence, and children temporarily placed outside the home, will be considered when determining unit size.

A child temporarily placed in foster care will be considered in determining unit size.

A family member away temporarily serving in the United States military will be considered when determining unit size.

The LACDA will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0	1	2
1	1	3
2	2	5
3	3	7
4	4	9
5	5	11

5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

Types of Exceptions

LACDA Policy

The LACDA will consider granting exceptions to the occupancy standards at the family's request if the LACDA determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances.

For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. An exception may also be granted for a smaller bedroom size in cases where the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides (according to the chart in Section 5-I.B) and the family does not want to transfer to a larger size unit.

When evaluating exception requests the LACDA will consider the size and configuration of the unit. In no case will the LACDA grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the LACDA may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

Processing of Exceptions

LACDA Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the LACDA will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the LACDA will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The LACDA will notify the family of its decision within 30 calendar days of receiving the family's request.

PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

5-II.A. OVERVIEW

The LACDA must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination laws.

In filling an actual or expected vacancy, the LACDA must offer the dwelling unit to an applicant in the appropriate offer sequence. The LACDA will offer the unit until it is accepted. This section describes the LACDA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the LACDA's policies for offering units with accessibility features.

LACDA Policy

The LACDA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

5-II.B. NUMBER OF OFFERS

LACDA Policy

The LACDA has adopted a one offer plan for offering units to applicants. Under this plan, the LACDA will determine how many locations within its jurisdiction have available units of suitable size and type in the appropriate type of project. The applicant will be offered a unit in the location with the oldest vacancy within the developments selected by the applicant. If a suitable unit is available in an identified location, and the offer is rejected, the applicant will be removed from all public housing waiting lists and be required to reapply.

5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

LACDA Policy

Applicants must accept or refuse a unit offer within 3 calendar days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

5-II.D. REFUSALS OF UNIT OFFERS

Good Cause for Unit Refusal

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

LACDA Policy

Applicants may refuse to accept a unit offer for “good cause.” *Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant’s race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Applicant needs to provide adequate notice to their current landlord of the termination of their lease;

The family demonstrates to the LACDA’s satisfaction that accepting the offer will place a family member’s life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders; other court orders; risk assessments related to witness protection from a law enforcement agency; or documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant’s disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The LACDA will require documentation of good cause for unit refusals.

Unit Refusal without Good Cause

LACDA Policy

When an applicant rejects the unit offer without good cause, the LACDA will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the LACDA opens the waiting list.

5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

LACDAs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the LACDA must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the LACDA's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the LACDA may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

LACDA Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the LACDA will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the LACDA will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. Residents must return the keys to their old unit within five calendar days of the date the transfer offer was made. This requirement will be a provision of the lease agreement.

5-II.F. DESIGNATED HOUSING

When applicable, the LACDA's policies for offering units designated for elderly families only or for disabled families only are described in the LACDA's Designated Housing Plan.

Chapter 6

INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart

C] INTRODUCTION

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family's rent payment. The LACDA will use the policies and methods described in this chapter to ensure that only income-eligible families receive assistance and that no family pays more or less rent than is required under the regulations. This chapter describes HUD regulations and LACDA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and LACDA policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the LACDA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and LACDA policies for calculating adjusted income are found in Part II.

Part III: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

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

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph [5.609(c)].
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

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

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(a)(1)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

LACDA Policy

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

Absent Students

LACDA Policy

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

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

LACDA Policy

If a child has been placed in foster care, the LACDA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

However, if the time period is to be greater than 180 days from the date of removal of the child(ren), the family will be required to move to a smaller size unit. If all children are removed from the home permanently, the unit size will be reduced in accordance with the LACDA's occupancy guidelines.

Absent Head, Spouse, or Cohead

LACDA Policy

An employed head, spouse, or cohead absent from the unit for 90 consecutive days or more due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

LACDA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the LACDA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent, up to 120 consecutive days as long as rent and other charges remain current.

If the verification indicates that the family member will return in less than 120 consecutive days, the family member will not be considered permanently absent, as long as rent and other charges remain current.

A resident may request a reasonable accommodation to have a longer absence approved.

The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Joint Custody of Children

LACDA Policy

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

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

Caretakers for a Child

LACDA Policy

The approval of a caretaker is at the LACDA's discretion and subject to the LACDA's screening criteria. If neither a parent nor a designated guardian remains in a household, the LACDA will take the following actions.

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the LACDA will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

The LACDA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

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

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The LACDA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

LACDAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows LACDAs to use tenant-provided documents to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the LACDA does not determine it is necessary to obtain additional third-party data.

LACDA Policy

When EIV is obtained and the family does not dispute the EIV employer data, the LACDA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the LACDA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

The LACDA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If the LACDA determines additional information is needed.

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

When the LACDA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the LACDA will review and analyze historical data for patterns of employment, paid

benefits, and receipt of other income and use the results of this analysis to establish annual income.

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

Known Changes in Income

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

Example: An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the LACDA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

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

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

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that LACDAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation [24 CFR 5.609(b)(1)]

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

LACDA Policy

For persons who regularly receive bonuses or commissions, the LACDA will verify and then average amounts received for the previous year. In either case the family may provide, and the LACDA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the LACDA will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income.

LACDA Policy

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

Children's Earnings [24 CFR 5.609(c)(1)]

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]

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

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

Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]

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

State and Local Employment Training Programs

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

LACDA Policy

The LACDA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The LACDA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

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

End of participation in a training program must be reported in accordance with the LACDA’s interim reporting requirements (see chapter on reexaminations).

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

LACDA Policy

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

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance is discussed in section 6-IE below.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255; Streamlining Final Rule (SFR) Federal Register 3/8/16]

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

LACDA Policy

To qualify for the EID the family must experience an increase in annual income (as defined by regulations) attributable to increased earnings of the qualifying family member. Therefore, the below families would not qualify for EID:

A full-time student has earnings of \$1,000 a year, and meets HUD's definition of 'previously unemployed.' The LACDA includes \$480 of the student's earnings in the family's annual income. The student receives a raise, now receiving \$10,000 a year from earnings. As the LACDA continues to include only \$480 of the student's earnings in the family's annual income, the family's annual income (as defined by regulations) does not increase.

A family member is enrolled in a HUD-funded training program. All income received from the program is excluded. While continuing to be enrolled, the family member begins to earn \$5,000 a year through the program. As the income is already excluded under 24 CFR 5.609 (c)(8)(i), the family's annual income (as defined by regulations) does not increase.

Conversely, the below family would qualify for EID:

An adult full-time student has had no earnings. The student begins their first job while remaining a full-time student, now receiving \$6,000 a year from earnings. As the family's annual income (as defined by regulations) does increase by \$480, the LACDA would exclude all earnings: Employment income above \$480 a year is excluded under 24 CFR 5.609(c)(11), and the \$480 is excluded under EID.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

LACDA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the LACDA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

LACDA Policy

During the second 12-month exclusion period, the LACDA will exclude 50 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

Individual Savings Accounts [24 CFR 960.255(d)]

LACDA Policy

The LACDA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.

The following rules pertaining to ISAs do not apply to this public housing program.

A qualified family paying income-based rent may choose an ISA instead of being given the EID. The LACDA must advise the family that the ISA option is available. Families who choose the ISA will pay the higher rent and the LACDA will deposit the difference between the higher rent and the EID rent in the savings account.

Amounts deposited to ISAs may only be withdrawn for the following reasons:

- Because the family is purchasing a home
- To pay education costs of family members
- Because the family is moving out of public or assisted housing
- To pay any other expenses the LACDA authorizes to promote economic self-sufficiency

The LACDA is required to maintain ISAs in interest bearing accounts, for which the family is credited with interest earned. The LACDA may not charge the family a fee for maintaining the account.

At least once each year the LACDA must provide the family with a statement of the balance in their account, including any interest earned, if required by state law.

If the family moves out of public housing, the LACDA must return the balance in the family's ISA, less any amounts the family owes the LACDA.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

Net income is “gross income less business expense” [HCV GB, p. 5-19].

LACDA Policy

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

Business Expansion

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

LACDA Policy

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

Capital Indebtedness

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

LACDA Policy

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

Negative Business Income

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

Withdrawal of Cash or Assets from a Business

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

LACDA Policy

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

Co-owned Businesses

LACDA Policy

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

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the public housing program. However, HUD requires that the LACDA include in annual income the anticipated “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the LACDA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

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

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and LACDA policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7

General Policies

Income from Assets

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

LACDA Policy

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

Valuing Assets

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

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

LACDA Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]

When net family assets are \$5,000 or less, the LACDA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the LACDA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the LACDA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the LACDA to establish a passbook rate within 0.81% percent of a national average.
- The LACDA must review its passbook rate annually to ensure that it remains within 0.81% percent of the national average.

LACDA Policy

The LACDA initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The LACDA will review the passbook rate annually. The rate will not be adjusted unless the current LACDA rate is no longer within 0.81% percent of the national rate. If it is no longer within 0.81% percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on a date to be determined by the LACDA at the time of review, factoring in completed reexaminations.

Determining Actual Anticipated Income from Assets

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

Withdrawal of Cash or Liquidation of Investments

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

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

LACDA Policy

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

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

Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]

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

Minimum Threshold

The LACDA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

LACDA Policy

The LACDA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000

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

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

Separation or Divorce

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

LACDA Policy

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

Foreclosure or Bankruptcy

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

Family Declaration

LACDA Policy

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

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero unless at above accumulative amount of 5,000.

LACDA Policy

The LACDA will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

Verification forms, letters, or documents from a financial institution or broker.

The LACDA will use the most current statement for checking accounts and other all other noninterest bearing accounts.

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

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

LACDA Policy

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

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

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

LACDA Policy

In determining the equity, the LACDA will determine market value of the property by the actual cost of selling the property itself or examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The LACDA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the LACDA will use the basic loan balance information to deduct from the market value in the equity calculation.

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

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The LACDA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

LACDA Policy

For the purposes of calculating expenses to convert to cash for real property, the LACDA will use ten percent of the market value of the home.

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

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

LACDA Policy

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

Trusts

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

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the LACDA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 526], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

LACDA Policy

In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. The LACDA may require necessary information to determine the current case value (the net amount the family would receive if the asset were converted to cash), and/or obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

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

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

LACDA Policy

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

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

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

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

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

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

LACDA Policy

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

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Treatment of Overpayment Deductions from Social Security Benefits

The LACDA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the LACDA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2018-24].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2012-1].

LACDA Policy

The LACDA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].
Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The LACDA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the LACDA must include in annual income “imputed” welfare income. The LACDA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

For special procedures related to grievance hearings based upon the LACDA’s denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

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

Alimony and Child Support

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

LACDA Policy

The LACDA will count court-awarded amounts for alimony and child support unless the LACDA verifies that the payments are not being made.

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

Regular Contributions or Gifts

The LACDA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

LACDA Policy

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

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

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)].

LACDA Policy

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
 - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
 - (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
 - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
 - (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))

- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)

- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249)
- (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002
- (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))
- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations
- (aa) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

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

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (LACDA) must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

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

Anticipating Expenses

LACDA Policy

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

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

Example 1: An elderly head of household contacts the LACDA, stating they were unexpected hospitalized. This resulted in a \$2,000 medical bill, which the individual paid in full upon release from the hospital. As there is no anticipated expense, the LACDA cannot conduct an interim allowing the expense.

Example 2: An elderly head of household contacts the LACDA, stating they were unexpectedly hospitalized. This resulted in a \$2,000 medical bill, which the individual states they will pay in the future. As there is an anticipated expense, the LACDA will conduct an interim allowing the expense.

6-II.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-III.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

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

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

LACDA Policy

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

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

Families That Qualify for Both Medical and Disability Assistance Expenses

LACDA Policy

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

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

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

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

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

LACDA Policy

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

When the LACDA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members’ incomes [PH Occ GB, p. 124].

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows: “Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals” [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises LACDAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

LACDA Policy

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

Eligible Attendant Care

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

LACDA Policy

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

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

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

Payments to Family Members

No disability expenses may be deducted for payments to a member of a tenant family [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

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

LACDA Policy

The LACDA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the LACDA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the LACDA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

LACDA Policy

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

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

6-ILF. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household are included when determining the family’s child care expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

LACDA Policy

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

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

Seeking Work

LACDA Policy

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

Furthering Education

LACDA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

LACDA Policy

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

Earned Income Limit on Child Care Expense Deduction

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

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

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The LACDA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

LACDA Policy

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

Eligible Child Care Expenses

The type of care to be provided is determined by the tenant family. The LACDA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

LACDA Policy

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

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

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

Necessary and Reasonable Costs

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

LACDA Policy

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

To establish the reasonableness of child care costs, the LACDA will use the schedule of child care costs from a qualified local entity that either subsidized child care or licenses child care providers. Families may present, and the LACDA will consider, justification for costs that exceed typical costs in the area.

6-IL.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the LACDA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.

LACDA Policy

The LACDA has opted not to use permissive deductions.

PART III: CALCULATING RENT

6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the LACDA.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the LACDA

The LACDA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

Welfare Rent [24 CFR 5.628]

LACDA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

LACDA Policy

The minimum rent for this locality is \$50.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

LACDAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the LACDA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The LACDA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to LACDA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

LACDA Policy

The LACDA chooses not to adopt optional changes to income-based rents.

Utility Reimbursement [24 CFR 960.253(c)(4)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the LACDA to pay the reimbursement to the family or directly to the utility provider.

LACDA Policy

The LACDA will make utility reimbursements to the family.

The LACDA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar-year quarter, either prospectively or retroactively, and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The LACDA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship. The LACDA must issue reimbursements that exceed \$15.00 per month on a monthly basis.

LACDA Policy

The LACDA will issue all utility reimbursements monthly.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

If the LACDA establishes a minimum rent greater than zero, the LACDA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the LACDA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

LACDA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent. LACDA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

LACDA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the LACDA.

LACDA Policy

The LACDA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the LACDA must suspend the minimum rent requirement beginning the first of the month following the family’s request.

The LACDA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

LACDA Policy

The LACDA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The LACDA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family’s request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption	
Assume the LACDA has established a minimum rent of \$50.	
TTP – No Hardship	TTP – With Hardship
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$50 Minimum rent	\$50 Minimum rent - waived
Minimum rent applies. TTP = \$50	Hardship exemption granted. TTP = \$15

LACDA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.

The LACDA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the LACDA determines there is no financial hardship, the LACDA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the LACDA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

LACDA Policy

The LACDA will require the family to repay the suspended amount within 30 calendar days of the LACDA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the LACDA determines that a qualifying financial hardship is temporary, the LACDA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the LACDA the amounts suspended. HUD requires the LACDA to offer a reasonable repayment agreement, on terms and conditions established by the LACDA. The LACDA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the LACDA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

LACDA Policy

The LACDA will enter into a repayment agreement in accordance with the LACDA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

If the LACDA determines that the financial hardship is long-term, the LACDA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

LACDA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the LACDA must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation [24 CFR 8]

On request from a family, LACDAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Utility Allowance Revisions [24 CFR 965.507]

The LACDA must review its schedule of utility allowances each year. Between annual reviews, the LACDA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

The tenant rent calculations must reflect any changes in the LACDA's utility allowance schedule [24 CFR 960.253(c)(3)].

LACDA Policy

Unless the LACDA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The LACDA must prorate the assistance provided to a mixed family. The LACDA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the LACDA must:

- (1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.
- (2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).
- (3) Multiply the member maximum subsidy by the number of eligible family members.
- (4) Subtract the subsidy calculated in the last step from the flat rent. This is the prorated TTP.
- (5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

LACDA Policy

Revised public housing flat rents will be applied to a mixed family's rent calculation at the first annual reexamination after the revision is adopted.

- (6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR

960.253] Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16.

Family Choice in Rents [24 CFR 960.253(a) and (e)]

Once each year, the LACDA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The LACDA must document that flat rents were offered to families under the methods used to determine flat rents for the LACDA.

LACDA Policy

The annual LACDA offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.

The LACDA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The LACDA must provide sufficient information for families to make an informed choice. This information must include the LACDA's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the LACDA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]

A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the LACDA determines that a financial hardship exists, the LACDA must immediately allow the family to switch from flat rent to the income-based rent.

LACDA Policy

Upon determination by the LACDA that a financial hardship exists, the LACDA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- Such other situations determined by the LACDA to be appropriate

LACDA Policy

The LACDA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

Phasing In Flat Rents [Notice PIH 2017-23; 24 CFR 960.253(b)]

When new flat rents requirements were implemented in 2014, HUD limited the increase for existing residents paying flat rent at that time to no more than 35 percent of the current tenant rent per year. In some cases, this meant that some residents had or will have their flat rents phased-in at the time of their annual recertification. To do this, LACDAs conduct a flat rent impact analysis to determine whether a phase-in is or was necessary. For families whose flat rent is being phased-in, the LACDA must multiply the family’s current rent amount by 1.35 and compare the result to the flat rent under the LACDA’s policies. Families who have subsequently been admitted to the program or have subsequently selected flat rent will not experience a phase-in.

Notice PIH 2017-23 requires that flat rents must be phased in at the full 35 percent per year. LACDAs do not have the option of phasing in flat rent increases at less than 35 percent per year.

Example: A family was paying a flat rent of \$500 per month. At their annual recertification, the LACDA has increased the flat rent for their unit size to comply with the new requirements to \$700. The LACDA conducted a flat rent impact analysis as follows:

$$\$500 \times 1.35 = \$675$$

Since the LACDA’s increased flat rent of \$700 resulted in a rent increase of more than 35 percent, the LACDA offered the family the choice to pay either \$675 per month or an income-based rent. The flat rent increase was phased in. At their next annual recertification in November 2015, the LACDA will again multiply the family’s current flat rent by 1.35 and compare the results to the LACDA’s current flat rent.

Flat Rents and Earned Income Disallowance [A&O FAQs]

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

Under the EID original calculation method, a family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent as long as the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

Under the EID revised calculation method, a family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent regardless whether the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of this section.

¹ Text of 45 CFR 260.31 follows (next page).

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes:

(1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

- (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the LACDA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the LACDA's governing board. No resident may receive more than one such stipend during the same period of time;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for

purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to LACDAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, LACDAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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EXHIBIT 6-4: EARNED INCOME DISALLOWANCE

24 CFR 960.255 Self-sufficiency incentive—Disallowance of increase in annual income.

(a) *Definitions.* The following definitions apply for purposes of this section.

Baseline income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person who is a member of a qualified family.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in public housing:

- (i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;
- (ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
- (iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the LACDA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500.

(b) *Disallowance of increase in annual income.*

(1) *Initial twelve month exclusion.* During the 12-month period beginning on the date on which a member of a qualified family is first employed

or the family first experiences an increase in annual income attributable to employment, the LACDA must exclude from the annual income (as defined in § 5.609 of this title) of a qualified family any increase in the income of the family member as a result of employment over the baseline income of that family member.

(2) *Phase-in of rent increase.* Upon the expiration of the 12-month period defined in paragraph (b)(1) of this section and for the subsequent 12-month period, the LACDA must exclude from the annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 24-month period. It applies for a maximum of 12 months for disallowance under paragraph (b)(1) of this section and a maximum of 12 months for disallowance under paragraph (b)(2) of this section, during the 24-month period starting from the initial exclusion under paragraph (b)(1) of this section.

(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date.

(c) *Inapplicability to admission.* The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) *Individual Savings Accounts*. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a LACDA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

(1) The LACDA must advise the family that the savings account option is available;

(2) At the option of the family, the LACDA must deposit in the savings account the total amount that would have been included in tenant rent payable to the LACDA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;

(3) Amounts deposited in a savings account may be withdrawn only for the purpose of:

(i) Purchasing a home;

(ii) Paying education costs of family members;

(iii) Moving out of public or assisted housing; or

(iv) Paying any other expense authorized by the LACDA for the purpose of promoting the economic self-sufficiency of residents of public housing;

(4) The LACDA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the LACDA may not charge a fee for maintaining the account;

(5) At least annually the LACDA must provide the family with a report on the status of the account; and

(6) If the family moves out of public housing, the LACDA shall pay the tenant any balance in the account, minus any amounts owed to the LACDA

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

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

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the LACDA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the LACDA, the welfare agency will inform the LACDA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the LACDA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The LACDA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the LACDA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the LACDA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The LACDA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of LACDA decision.

(1) Public housing. If a public housing tenant claims that the LACDA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the LACDA denies the family's request to modify such amount, the LACDA shall give the tenant written notice of such denial, with a brief explanation of the basis for the LACDA determination of the amount of imputed welfare income. The LACDA notice shall also state that if the tenant does not agree with the LACDA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the LACDA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the LACDA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the LACDA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the LACDA denies the family's request to modify such amount, the LACDA shall give the family written notice of such denial, with a brief explanation of the basis for the LACDA determination of the amount of imputed welfare

income. Such notice shall also state that if the family does not agree with the LACDA determination, the family may request an informal hearing on the determination under the LACDA hearing procedure.

(e) LACDA relation with welfare agency.

(1) The LACDA must ask welfare agencies to inform the LACDA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the LACDA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The LACDA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the LACDA. However, the LACDA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The LACDA shall be entitled to rely on the welfare agency notice to the LACDA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7

VERIFICATION

[24 CFR 960.259, 24 CFR 5.230, Notice PIH 2018-18]

INTRODUCTION

The LACDA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The LACDA must not pass on the cost of verification to the family.

The LACDA will follow the verification guidance provided by HUD in Notice PIH 2018-18 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary LACDA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

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

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION

[24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the LACDA or HUD determines is necessary to the administration of the program and must consent to LACDA verification of that information [24 CFR 960.259(a)(1)].

Consent Forms

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the LACDA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the LACDA will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the LACDA's grievance procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2018-18]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general, HUD requires the LACDA to use the most reliable form of verification that is available and to document the reasons when the LACDA uses a lesser form of verification.

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

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third Party Verification (may be provided by applicant or resident)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

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

Requirements for Acceptable Documents

LACDA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 days of the LACDA request. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

The LACDA staff member who views the original document must make a photocopy, date stamp and initial the copy.

Any family self-certifications must be made in a format acceptable to the LACDA.

File Documentation

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

LACDA Policy

The LACDA will document, in the family file, the following:

- Reported family annual income

- Value of assets

- Expenses related to deductions from annual income

- Other factors influencing the adjusted income or income-based rent determination

When the LACDA is unable to obtain third-party verification, the LACDA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2018-18].

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the LACDA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the LACDA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the LACDA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the LACDA's informal review/hearing processes. (For more on UIV and income projection, see section 6-I.C.)

Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

LACDAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

EIV Income and IVT Reports

The data shown on income and income validation tool (IVT) reports is updated quarterly. Data may be between three and six months old at the time reports are generated.

LACDA Policy

The LACDA will obtain income and IVT reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income and IVT reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6.I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income and IVT reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

Income and IVT reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income and IVT reports will be retained in resident files with the applicable annual or interim reexamination documents.

When the LACDA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth.

LACDAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2018-18].

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

LACDA Policy

The LACDA will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. The LACDA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the tenant. When the LACDA determines that discrepancies exist as a result of LACDA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)

In addition to mandatory use of the EIV system, HUD encourages LACDAs to utilize other upfront verification sources.

LACDA Policy

The LACDA will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

The Work Number

Leader: Department of Public Social Services (DPSS) automated record systems

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the LACDA by the family. If written third-party verification is not available, the LACDA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2018-18]

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

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

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

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

LACDA Policy

Third-party documents provided by the family must be dated within 60 days of the LACDA request date.

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

As verification of earned income, the LACDA will require the family to provide the four most current, consecutive pay stubs.

For reporting standards of current or imputed assets, refer to Chapter 6-Income.

Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the LACDA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

LACDAs may mail, fax, or email third-party written verification form requests to third-party sources.

LACDA Policy

The LACDA will send third-party verification forms directly to the third party.

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

Oral Third-Party Verification [Notice PIH 2018-18]

For third-party oral verification, LACDAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

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

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

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

LACDA Policy

In collecting third-party oral verification, LACDA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

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

When Third-Party Verification is Not Required [Notice PIH 2018-18]

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

LACDA Policy

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

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

Primary Documents

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

Imputed Assets

The LACDA may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

LACDA Policy

The LACDA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

7-I.E. SELF-CERTIFICATION

When HUD requires third-party verification, self-certification, or “tenant declaration,” is used as a last resort when the LACDA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded

When the LACDA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family’s file must be documented to explain why third-party verification was not available.

LACDA Policy

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

The LACDA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the LACDA and must be signed by the family member whose information or status is being verified.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

LACDA Policy

The LACDA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Current, valid driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) Current U.S. passport Foreign Consulate Identification Cards (FCICs)	Certificate of birth Adoption papers Custody agreement

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the LACDA has reason to doubt the identity of a person representing him or herself to be a tenant or a member of a tenant family.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2018-24]

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

The LACDA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The LACDA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

LACDA Policy

The LACDA will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the LACDA within 90 days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of program admission, an otherwise eligible family may be admitted and must provide documentation of the child's SSN within 90 days. A 90-day extension will be granted if the LACDA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control.

LACDA Policy

The LACDA will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a resident requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The LACDA may not add the new household member until such documentation is provided.

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

LACDA Policy

The LACDA will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

LACDA Policy

The LACDA will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the LACDA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

LACDA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the LACDA will not remove and destroy copies of documentation accepted as evidence of social security numbers.

7-ILC. DOCUMENTATION OF AGE

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

LACDA Policy

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

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

LACDA Policy

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

If there is doubt as to the certified relationship(s), the LACDA may require additional documentation, such as social service agency documentation, school records, or absent parent affidavit.

Marriage

LACDA Policy

Certification by the head of household is normally sufficient verification. If the LACDA has reasonable doubts about a marital relationship, the LACDA will require the family to document the marriage with a marriage certificate or other documentation to verify that the couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

LACDA Policy

Certification by the head of household is normally sufficient verification. If the LACDA has reasonable doubts about a divorce or separation, the LACDA will require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

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

Absence of Adult Member

LACDA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill, order of protection/restraining order, divorce filings).

Foster Children and Foster Adults

LACDA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

LACDA Policy

The LACDA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

The LACDA will verify through written verification from an authorized school official of the educational institution attended by the student, including an official school document that clearly states the individual is a full-time student.

7-ILF. DOCUMENTATION OF DISABILITY

The LACDA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The LACDA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The LACDA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the LACDA receives a verification document that provides such information, the LACDA will not place this information in the tenant file. Under no circumstances will the LACDA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' Web site at www.os.dhhs.gov.

The LACDA may make the following inquiries, provided it makes them of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

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

Family Members Receiving SSA Disability Benefits

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

LACDA Policy

For family members claiming disability who receive disability payments from the SSA, the LACDA will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, the LACDA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the LACDA will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from www.ssa.gov. Once the family receives the benefit verification letter, it will be required to provide the letter to the LACDA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

LACDA Policy

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

7-ILG. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and LACDA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

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

The LACDA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

LACDA Policy

Family members who claim U.S. citizenship or national status will be required to provide a birth certificate, United States passport or other appropriate documentation.

Eligible Immigrants

Documents Required

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

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

LACDA Verification [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the LACDA must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The LACDA will follow all USCIS protocols for verification of eligible immigration status.

7-IL.H. VERIFICATION OF PREFERENCE STATUS

The LACDA must verify any preferences claimed by an applicant that determined his or her placement on the waiting list.

LACDA Policy

Veteran's Preference

The LACDA will verify this preference through review of the veteran's DD-214, as well as any marriage, partnership, and/or death certificates, as applicable.

Homeless Families and Victims of Domestic Violence

The LACDA will verify this preference through review of referral documents issued by the Joint Powers Authority (JPA), County agencies or Community Based Organizations (CBOs) (with a contract or Memorandum of Understanding (MOU) in place with the LACDA). The referral documentation must include certification of the family's homeless status.

Transitional Aged Youth (TAY) Preference:

The LACDA will verify this preference through review of referral documents issued by the Joint Powers Authority (JPA), County agencies or Community Based Organizations (CBOs) (with a contract or Memorandum of Understanding (MOU) in place with the LACDA).

Displaced Family Preference:

The LACDA will verify this preference through review of public records reflecting the federally declared disaster or federal, state, or local government action, along with family-provided documents reflecting the residence from which the family was displaced was located in the area impacted by the disaster or action.

Residency Preference: The LACDA will verify this preference through review of the following documents:

- a. Residency: two of the below documents:
 - i. Current lease
 - ii. Utility bill with family name
 - iii. Mail from the SSA
 - iv. Unemployment benefits letter
 - v. Letter from social service organization
 - vi. Financial institution documentation
 - vii. Educational or school record
 - viii. Current Driver's License or state issued Identification Card
- b. Work: Employment record or letter reflecting the work address as within the LACDA's jurisdiction
- c. Hired to work: Letter of hire reflecting the work address as within the LACDA's jurisdiction
- d. Homeless applicants: documentation from a local homeless shelter, health or

homeless services entity, social security administration, or law enforcement entity reflecting the individual/family is homeless within the LACDA's jurisdiction.

Homeless/Elderly Preference (Carmelitos and Nueva Maravilla "Rosas" senior designated properties, only): This preference will be verified through reviewing proof of age in accordance with Section 7-II.C of this document, and through review of the referral of the partnering agency. The referral must include a certification as to the elderly family's homeless status.

PART III: VERIFYING INCOME AND ASSETS

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

7-III.A. EARNED INCOME

Tips

LACDA Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Wages

LACDA Policy

For wages other than tips, the family must provide originals of the four most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

LACDA Policy

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

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

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

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

If a family member has been self-employed less than three (3) months, the LACDA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to six (6) months the LACDA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

Social Security/SSI Benefits

LACDA Policy

To verify the SS/SSI benefits of applicants, the LACDA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, the LACDA will help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the LACDA.

To verify the SS/SSI benefits of residents, the LACDA will obtain information about social security/SSI benefits through HUD's EIV system, and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the LACDA will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, the LACDA will help the resident request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the LACDA.

7-III.D. ALIMONY OR CHILD SUPPORT

LACDA Policy

The methods the LACDA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be obtained in the following order of priority:

1. Computerized official printout of payments made, if through a State agency.
2. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
3. A notarized letter from the persons paying the support.
4. LACDA verification form completed by payment provider.
5. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular payments*, the family must provide appropriate court or welfare agency documents supporting the family's claim that the amount they are actually receiving is less child support/alimony than was ordered.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The LACDA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

LACDA Policy

The LACDA will verify the value of assets disposed of only if:

The LACDA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

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

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

7-III.F. NET INCOME FROM RENTAL PROPERTY

LACDA Policy

The family must provide:

A current executed lease for the that shows the rental amount or certification from the current tenant

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

7-III.G. RETIREMENT ACCOUNTS

LACDA Policy

The LACDA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

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

Before retirement, the LACDA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the LACDA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the LACDA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.H. INCOME FROM EXCLUDED SOURCES

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

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the LACDA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

LACDAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, LACDAs have the option of requiring additional verification.

For partially excluded income, the LACDA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

LACDA Policy

Except for food stamps (if the receipt of food stamps may exempt a family members from CSSR requirements), the LACDA will accept the family's self-certification as verification of fully excluded income. The LACDA may request additional documentation if necessary to document the income source.

The LACDA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.I. ZERO ANNUAL INCOME STATUS

LACDA Policy

The LACDA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, etc. are not being received by families claiming to have zero annual income.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

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

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The LACDA will verify that:

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

Elderly/Disabled Family Deduction

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The LACDA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

LACDA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as LACDArmacy printouts or receipts.

The LACDA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The LACDA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

Bank Statements are not acceptable for verifying medical expenses. They are acceptable to verify that an already existing medical expense is being paid.

In addition, the LACDA must verify that:

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

Eligible Household

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

Qualified Expenses

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

Unreimbursed Expenses

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

LACDA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

LACDA Policy

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

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

LACDA Policy

The LACDA will accept written third-party documents provided by the family.

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

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

LACDA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the LACDA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The LACDA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

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

LACDA Policy

The LACDA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

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

Unreimbursed Expenses

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

LACDA Policy

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

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the LACDA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The LACDA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

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

LACDA Policy

The family and the care provider will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

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

LACDA Policy

Information to be Gathered

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

Seeking Work

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

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

Furthering Education

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

Gainful Employment

The LACDA will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Child Care

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

LACDA Policy

The LACDA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The LACDA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The LACDA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

LACDA Policy

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

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

**Exhibit 7-1: Summary of Documentation Requirements for Noncitizens
[HCV GB, pp. 5-9 and 5-10]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the LACDA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
 - “Admitted as a Refugee Pursuant to Section 207”
 - “Section 208” or “Asylum”
 - “Section 243(h)” or “Deportation stayed by Attorney General”
 - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
 - A final court decision granting asylum (but only if no appeal is taken);
 - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

Chapter 8

LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

Public housing leases are the contractual basis of the legal relationship between the LACDA and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD regulations.

HUD regulations require the LACDA to inspect each dwelling unit prior to move-in, at move-out, and annually during the period of occupancy. In addition, the LACDA may conduct additional inspections in accordance with LACDA policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the LACDA's policies pertaining to lease execution, lease modification, and payments under the lease.

Part II: Inspections. This part describes the LACDA's policies for inspecting dwelling units.

PART I: LEASING

8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the LACDA may not renew the lease if the family has violated the community service requirement [24 CFR 966.4(a)(2)].

LACDAs must adopt smoke-free policies, which must be implemented no later than July 30, 2018. The policy is attached as Exhibit 8-1.

LACDAs must include in the ACOP residential minimum heating standards policies [Notice PIH 2018-19]. The policy is included in Part I of this chapter.

Part I of this chapter contains regulatory information on leasing, where applicable, as well as the LACDA's leasing policies.

8-I.B. LEASE ORIENTATION

LACDA Policy

After unit acceptance but prior to occupancy, a LACDA representative will conduct a lease orientation with the family. All adult household members are required to attend.

Orientation Agenda

LACDA Policy

When families attend the lease orientation, they will be provided with:

- A copy of the lease

- A copy of the LACDA's grievance procedure

- A copy of the house rules

- A copy of the parking policy

- Lead based paint information

- Fair Housing booklet

- Pet policy

- A copy of the LACDA's schedule of maintenance charges

- A copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

- A copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

- A copy of the LACDA's smoke free policy

Topics to be discussed and explained to all families include:

- Applicable deposits and all other charges

- Review and explanation of lease provisions

- Unit maintenance requests and work orders

- Orientation to the community

- The LACDA's interim reporting requirements

- Review and explanation of occupancy forms

- Community service requirements

- Family choice of rent

- VAWA protections

- Smoke-free policies

8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the LACDA, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one LACDA unit to another.

The lease must state the composition of the household as approved by the LACDA (family members and any LACDA-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

LACDA Policy

The head of household, spouse or cohead, and all other adult members of the household will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the LACDA will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to LACDA assistance. The live-in aide is only approved to live in the unit while serving as the care attendant for the family member who requires the care.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the LACDA [24 CFR 966.4(a)(3)].

Modifications to the Lease Form

The LACDA may modify its lease from time to time. However, the LACDA must give residents at least thirty (30) days advance notice of the proposed changes and an opportunity to comment on the changes. The LACDA must also consider any comments before formally adopting a new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(1)(2)(iii)(E)].

LACDA Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

LACDA Policy

The LACDA may modify its form of lease from time to time, giving residents 30 days for an opportunity to comment on proposed changes and advance notice of the implementation of any changes.

Schedules of special charges and rules and regulations are subject to modification or revision. Residents will be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and they will be given an opportunity to present written comments. Comments will be taken into consideration before any proposed modifications or revisions become effective.

Other Modifications

LACDA Policy

Requests for the addition of a new member to the household must first be approved by the LACDA, prior to the actual move-in by the proposed new member except for additions by birth, adoption, court-awarded custody foster adult, and/or of a minor child approved by a social service agency (i.e. DPSS, DCFS, etc.), in which case the family must inform the LACDA within ten calendar days.

Following receipt of a family's request to add a new member, the LACDA will conduct a pre-admission suitability review for those proposed household members over the age of 18 and conduct a screening for sex offender status for proposed members between the ages of 13 to 17 years of age. Only those members approved by the LACDA will be added to the lease. Furthermore, the LACDA will consider whether the resident request to add a member(s) will exceed the occupancy limit for the unit as a factor determining whether to approve the request.

Upon approval by the LACDA, families may add only the following persons to their lease:

- Spouse/marital-type partner and the minor children of that person
- Minor child of the head of household, co-head, spouse/marital-type partner who has been living elsewhere
- Adult child due to recent discharge from the military
- A disabled adult parent or child of the head of household/co-head who requires disability-required care

Live-in aides do not have the right of tenancy and cannot be added to the families' Lease Agreement. Upon approval by the LACDA, a live-in aide can reside in the household. Live-in aides are required to execute a "Live-In Aide Agreement" with the LACDA.

Children born to a family member are not subject to screening for purposes of determining household additions.

Residents who fail to notify the LACDA of additions to the household, or who permit persons to join the household (includes permitting non-tenants to utilize a resident's address), without undergoing screening are considered to have unauthorized occupants by the LACDA, and are in violation of the lease and subject to termination of tenancy [24 CFR 966.4(f)(3)].

Upon approval of the additional household members, the LACDA will amend the Form 50058 to reflect the change in household composition and income. In cases where the new household member is over the age of 18, the LACDA will execute a new Lease Agreement with the family. In such cases, the LACDA will conduct an annual or interim reexamination (whichever is applicable). However, in cases where the new household member is under the age of 18, the LACDA will process an interim re-examination and the Lease anniversary date will remain the same.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the LACDA, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the LACDA. The LACDA may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

LACDA Policy

Residents must pay a security deposit to the LACDA at the time of admission. For elderly developments, the amount of the security deposit will be the greater of \$75 of the family's total tenant payment at the time of move-in. For general occupancy developments, the amount of the security deposit will be the greater of \$125 of the family's total tenant payment at the time of move-in.

Generally, all security deposits must be paid in full prior to occupancy. However, if the family states the requirement to pay in full creates a financial hardship that may interfere with the family taking occupancy in a timely manner, the LACDA may, at its sole discretion, accept the security deposit in payments. However, in all cases, the full security deposit must be paid within four (4) months of occupancy.

The LACDA will hold the security deposit for the period the family occupies the unit. The LACDA will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 21 calendar days of move-out, the LACDA will refund to the resident the amount of the security deposit (including interest earned on the security deposit), less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The LACDA will provide the resident with a written list of any charges against the security deposit within 21 calendar days of move-out. If the resident disagrees with the amount charged, the LACDA will provide a meeting to discuss the charges.

If the resident transfers to another unit, the disposition of the security deposit depends on whether the resident transfers within the same development or a different development:

If the resident transfers to a different development, the LACDA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

If the resident transfers within the same development, the security deposit will be applied to any amounts needed to pay the cost of unpaid rent, damages, or other charges due under the lease. If any balance remains, the balance will be applied to the new unit, and the resident will be required to pay any amount needed to ensure the full required security deposit amount is on file. If no balance remains, and any amounts due at the old unit exceed the security deposit, the resident will be billed and must pay within 30 calendar days of receiving an invoice.

Notices of amounts due will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the LACDA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

However, in all cases, if the transfer is LACDA-initiated (damage to the unit, demolition/disposition of property), the LACDA will make a determination of whether the security deposit will be transferred to the new unit or applied at the old unit.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the LACDA in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the LACDA must give written notice stating any change in the amount of tenant rent and when the change is effective.

LACDA Policy

The tenant rent is due and payable at the LACDA-designated location on the first of every month. Rent is to be mailed or paid online to the LACDA.

If a family's tenant rent changes, the LACDA will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

Late Fees and Nonpayment

At the option of the LACDA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the LACDA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the LACDA grievance procedures. The LACDA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

LACDA Policy

If the family fails to pay their rent by the fifth day of the month, and the LACDA has not agreed to accept payment at a later date, a 14 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the LACDA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable 14 days after billing. Residents with more than two checks returned for insufficient funds will be required to pay rent payments by money order or through online payment.

Excess Utility Charges

If the LACDA charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the LACDA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right to a hearing under the LACDA grievance procedures. The LACDA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

LACDA Policy

When applicable, families will be charged for excess utility usage according to the LACDA's current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the LACDA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

The LACDA may grant requests for relief from surcharges from excess utility consumption of LACDA-furnished utilities as a reasonable accommodation where the LACDA deems an exception is appropriate to meet the needs of elderly, ill, or disabled residents. In determining whether to grant this request, the LACDA will consider special factors affecting utility usage that are not within the control of the resident, such as the need for medical equipment. Residents may request relief in accordance with Section 2-II.C. of this ACOP. The LACDA will process such requests in accordance with Section 2-II.E. of this ACOP.

Notice of the availability of procedures for requesting relief (including the LACDA representative with whom initial contact may be made by the resident) and the LACDA's criteria for granting requests, will be included in each notice to residents of changes in utility allowances or surcharges as well as to new residents as part of the lease orientation.

Maintenance and Damage Charges

If the LACDA charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the LACDA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the LACDA grievance procedures. The LACDA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

LACDA Policy

When applicable, families will be charged for maintenance and/or damages according to the LACDA's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the LACDA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

8-I.G. MINIMUM HEATING STANDARDS [Notice PIH 2018-19]

LACDAs in states, territories, or localities with existing minimum heating standards must use their respective local standards for public housing dwelling units. For LACDAs where state or local minimum heating standards do not exist, LACDAs must use the HUD-prescribed heating standards specified in Notice PIH 2018-19.

LACDA Policy

The LACDA is located in an area where state and county residential heating standards exist and will utilize those standards for public housing units. Therefore, the LACDA's minimum heating standards are as follows:

Minimum temperature:

If the LACDA controls the temperature, the minimum temperature in each unit must be at least 70 degrees Fahrenheit. If the resident controls the temperature, the heating equipment must have the capability of heating to at least 70 degrees Fahrenheit.

Minimum temperature capability:

Interior temperature minimums are always 70 degrees Fahrenheit.

Measurement:

Temperature measurements must be taken according to the following methodology: three feet above the floor.

PART II: INSPECTIONS

8-II.A. OVERVIEW

HUD regulations require the LACDA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the LACDA may require additional inspections, in accordance with LACDA Policy. This part contains the LACDA's policies governing inspections, notification of unit entry, and inspection results.

8-II.B. TYPES OF INSPECTIONS

Move-In Inspections [24 CFR 966.4(i)]

The lease must require the LACDA and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the LACDA and the tenant, must be provided to the tenant and retained in the resident file.

LACDA Policy

Any adult family member may attend the initial inspection either in person, or by attending a web-based meeting and viewing the inspection remotely.

The head of household, spouse, co-head or designated representative must sign the initial inspection form.

Move-Out Inspections [24 CFR 966.4(i)]

The LACDA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the LACDA. The LACDA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

LACDA Policy

When applicable, the LACDA will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 21 calendar days of conducting the move-out inspection.

Annual Inspections [24 CFR 5.705]

Section 6(f)(3) of the United States Housing Act of 1937 requires that LACDAs inspect each public housing project annually to ensure that the project's units are maintained in decent, safe, and sanitary condition. The LACDA shall continue using the Uniform Physical Condition Standards (UPCS) in 24 CFR 5, Subpart G, Physical Condition Standards and Inspection Requirements, to conduct annual project inspections. These standards address the inspection of the site area, building systems and components, and dwelling units.

LACDA Policy

The LACDA will inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS).

Quality Control Inspections

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

LACDA Policy

Supervisory quality control inspections will be conducted in accordance with the LACDA's maintenance plan.

Special Inspections

LACDA Policy

LACDA staff may conduct a special inspection for any of the following reasons:

Housekeeping

Unit condition

Suspected lease violation

Preventive maintenance

Routine maintenance

There is reasonable cause to believe an emergency exists

Other Inspections

LACDA Policy

Building exteriors, grounds, common areas and systems will be inspected according to the LACDA's maintenance plan.

8-ILC. NOTICE AND SCHEDULING OF INSPECTIONS

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

The LACDA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the LACDA entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

LACDA Policy

The LACDA will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least 2 weeks written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the LACDA to enter the unit.

Emergency Entries [24 CFR 966.4(j)(2)]

The LACDA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the LACDA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of Inspections

LACDA Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the LACDA at least 24 hours prior to the scheduled inspection. The LACDA will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The LACDA may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

LACDA Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

The inspector will not enter the unit if only a minor child(ren) is present.

If no one is at home, the inspector will enter the unit and conduct the inspection.

8-III.D. INSPECTION RESULTS

The LACDA is obligated to maintain dwelling units and the project in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the LACDA of the damage, and the LACDA must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the LACDA must charge the family for the reasonable cost of repairs. The LACDA may also take lease enforcement action against the family.

If the LACDA cannot make repairs quickly, the LACDA must offer the family standard alternative accommodations. If the LACDA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

LACDA Policy

When conditions in the unit are hazardous to life, health, or safety, the LACDA will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit

- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

- Natural or LP gas or fuel oil leaks

- Any electrical problem or condition that could result in shock or fire

- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit

- Utilities not in service, including no running hot water

- Conditions that present the imminent possibility of injury

- Obstacles that prevent safe entrance or exit from the unit

- Absence of a functioning toilet in the unit

- Inoperable smoke detectors

- Inoperable carbon monoxide detectors

Non-emergency Repairs

LACDA Policy

The LACDA will correct non-life threatening health and safety defects in accordance with the maintenance plan. If the LACDA is unable to make repairs within that period due to circumstances beyond the LACDA's control (e.g. required parts or services are not available, weather conditions, etc.) the LACDA will notify the family of an estimated date of completion.

The family must allow the LACDA access to the unit to make repairs.

Resident-Caused Damages

LACDA Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.F., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

LACDA Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the LACDA will provide proper notice of a lease violation.

A reinspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. The LACDA may then conduct follow-up housekeeping inspections approximately every 30 days for a twelve (12) month period. Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector and/or carbon monoxide detector. Only one warning will be given. A second incidence will result in lease termination.

EXHIBIT 8-1: SMOKE-FREE POLICY

In accordance with HUD regulations, the Housing Authority has adopted these smoke-free policies. The policies are effective as of Board approval date.

Due to the increased risk of fire, increased maintenance costs, and the known health effects of secondhand smoke, smoking is prohibited in all living units and interior areas, including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures.

The LACDA strictly prohibits smoking on all our properties except at the South Bay Gardens senior housing development located at 230 E. 130th Street, Los Angeles CA 90061. The term “smoking” means inhaling, exhaling, breathing, or carrying or possessing any lighted cigarette, cigar, pipe, hookah or other prohibited tobacco, marijuana or similar lighted product in any manner or in any form. Additionally, “smoking” also includes but is not limited to the use of an electronic cigarette (e-cig or e-cigarette), a personal vaporizer (PV) or an electronic nicotine delivery system (ENDS).

The smoke free policy applies to all residents, guests, visitors, vendors and staff. At South Bay Gardens, smoking is only permitted in one specified open area that is located at least 25 feet away from a LACDA building and is clearly labeled as a “Smoking Designated Area”.

The LACDA may terminate the Lease for a material or continuing breach of the Public Housing Non-Smoking Lease Addendum. Additionally, Residents are financially responsible for the mitigation of any damages caused by smoking in their unit or caused by smoking in nonsmoking areas on the LACDA’s premises. Residents shall pay for these damages as set forth in the Lease as “Other Charges”. Costs may include but are not limited to cleaning, sealing, painting, deodorizing, duct cleaning, and possible replacement of fixtures and various surface materials.

The LACDA would like to mitigate (i) the irritation and known health effects of secondhand smoke; (ii) the increased maintenance and cleaning costs from smoking; (iii) the increased risk of fire from smoking; and (iv) the higher costs of fire insurance for a non-smoke-free building.

Residents, members of the Resident's household or their guests/visitors are strictly prohibited to smoke on the premises occupied by the Resident and members of the Resident's household in any common areas, including but not limited to; community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices and elevators, playground areas, entry ways, porches, balconies and patios. Smoking is strictly prohibited on all of the LACDA’s properties, except for the designated smoking area at the South Bay Gardens housing development, including individual units, common areas, every building and adjoining grounds. A Resident, members of the Resident's household or their guests/visitors shall not smoke anywhere in Non-smoking Areas. The Resident may not permit any guests or visitors under the control of the Resident to smoke in Non-Smoking Areas.

Resident to Promote Non-Smoking Policy and to Alert the LACDA of Violations

Residents shall inform Resident's guests or visitors of the non-smoking policy. Residents are also encouraged to promptly submit to Management a written statement of any incident where tobacco smoke is migrating into the Resident's unit from sources outside of the Resident's unit.

Vendors and LACDA Staff

Vendors and LACDA staff on LACDA premises must also adhere to the non-smoking policies delineated in this chapter.

Promotion of Non-Smoking Policy

Management shall post no-smoking signs at entrances and exits, in common areas, and in conspicuous locations adjoining the grounds of Non-Smoking Areas.

The LACDA Not a Guarantor of Smoke-Free Environment

The LACDA's adoption of a non-smoking living environment does not make the LACDA the guarantor of the Resident's, members of the Resident's household or their guests/visitors health or of the non-smoking condition of the Resident's unit and common areas. However, the LACDA shall take reasonable steps to enforce the non-smoking terms as set forth in the Lease Addendum and ACOP and to make the Non-Smoking Area as smoke-free as is reasonably possible. The LACDA is not required to take steps in response to smoking unless the LACDA is aware of said smoking or has been given written notice of said smoking.

LACDA Disclaimer

The LACDA's adoption of a non-smoking living environment does not in any way change the standard of care that the LACDA would provide to a resident household to render buildings and premises designated as non-smoking any safer, more habitable, or improved in terms of air quality standards than any other rental premises. The LACDA specifically disclaims any implied or express warranties that the building, common areas, or Resident's premises will have any higher or improved air quality standards than any other rental property. The LACDA cannot and does not warrant or assert that the rental premises or common areas will be free from secondhand smoke. The LACDA's ability to police, monitor, or enforce the agreements of the Lease Addendum is dependent in significant part on voluntary compliance by the Resident and Resident's guests/visitors. Residents and Resident's guests/visitors with respiratory ailments, allergies, or any other physical or mental condition relating to smoke are put on notice that the LACDA does not assume any higher duty of care to enforce the Public Housing Non-Smoking Lease Addendum than any other LACDA obligation under the Lease.

LACDA POLICIES

Designated Smoking Areas (DSA)

Example policy 1: The LACDA has established designated smoking areas at (INSERT LOCATION(S)). Residents using the designated smoking areas must extinguish all smoking materials and dispose of them safely in receptacles provided for that purpose.

Example policy 2: The LACDA has not designated any smoking areas on the LACDA's property. Residents may not discard smoking products on the property.

Electronic Nicotine Delivery Systems (ENDS)

Electronic nicotine delivery systems (ENDS) include e-cigarettes, nicotine inhalers, and vaping devices.

Example policy 1: Use of ENDS is permitted in public housing units but is prohibited in common areas and in outdoor areas within 25 feet from housing and administrative buildings. That is, use of ENDS is prohibited in all common and outdoor areas in which smoking is prohibited.

Example policy 2: Use of ENDS is permitted in public housing units only as a reasonable accommodation approved by the LACDA that necessary for a person with disabilities. Use of ENDS is prohibited in common areas and in outdoor areas within 25 feet from housing and administrative buildings. That is, use of ENDS is prohibited in all areas in which smoking is prohibited.

Example policy 3: Use of ENDS is not permitted in public housing units, common areas, or in outdoor areas within 25 feet from housing and administrative buildings.

Effective Date

The LACDA's effective date(s) of this smoke-free policy is/are as follows:

Example 1: The smoke-free policy will be effective for all residents, household members, employees, guests, and service persons on (INSERT DATE ON OR BEFORE JULY 30, 2018).

Example 2: The smoke-free policy will be effective for all employees and service persons on (INSERT DATE ON OR BEFORE JULY 30, 2018).

The smoke-free policy will take effect at the next annual lease renewal for each resident household. Residents must execute a smoke-free lease addendum as part of the annual lease renewal process. Regardless of the lease renewal date, all residents must be in compliance with the smoke-free policy no later than July 30, 2018.

Enforcement

The LACDA must enforce smoke-free policies when a resident violates this policy. When enforcing the lease, the LACDA will provide due process and allow residents to exercise their right to an informal settlement and formal hearing. The LACDA will not evict a resident for a single incident of smoking in violation of this policy. As such, the LACDA will implement a graduated enforcement framework that includes escalating warnings. Prior to pursuing eviction for violation of smoke-free policies, the LACDA will take specific, progressive monitoring and enforcement actions, while at the same time educating tenants and providing smoking cessation information. The lease will identify the actions that constitute a policy violation, quantify the number of documented, verified violations that warrant enforcement action, state any disciplinary actions that will be taken for persistent non-responsiveness or repeated noncompliance, and state how many instances of noncompliance will constitute a violation. Tenancy termination and eviction will be pursued only as a last resort. The LACDA may terminate tenancy at any time for violations of the lease and failure to otherwise fulfill household obligations if resident behavior disturbs other residents' peaceful enjoyment and is not conducive to maintaining the property in a decent, safe, and sanitary condition.

Example 1: Upon issuance of a written warning from the property manager and/or a documented complaint, the LACDA will increase the frequency of unit inspections for a suspected policy violator. (INSERT LACDA POLICY ON MORE FREQUENT INSPECTION HERE)

Example 2: The LACDA will provide information and resources on smoking cessations, including: (INSERT A DESCRIPTION OF ANY INFORMATION THE LACDA WILL PROVIDE)

Example 3: If the resident does not have any new violations for (INSERT PERIOD OF TIME), the resident will be considered to have a clear record, and no further enforcement action will be taken.

Example 4: Repeated violation of the smoke-free policy may rise to the level of other good cause for termination of tenancy. (INSERT LACDA POLICY ON THE NUMBER OF DOCUMENTED VIOLATIONS THAT CONSTITUTE TERMINATION)

Reasonable Accommodation

While addiction to nicotine or smoking is not a disability, the LACDA will provide reasonable accommodation to persons with disabilities who smoke that are in compliance with the requirements of this smoke-free policy.

Chapter 9

REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

The LACDA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. LACDAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the LACDA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the LACDA to offer all families the choice of paying income-based rent or flat rent at least annually. The LACDA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the LACDA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the LACDA's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and LACDA policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the LACDA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

**PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING
INCOME-BASED RENTS [24 CFR 960.257]**

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the LACDA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the LACDA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the LACDA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purposes of lease enforcement or eviction.

The LACDA is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the LACDA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the LACDA's policies for conducting annual reexaminations.

9-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 960.257]

HUD permits LACDAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the LACDA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The LACDA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the LACDA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the LACDA may streamline the verification of fixed income but is not required to verify non-fixed income amounts. If the family receives less than 90 percent of its income from fixed sources, the LACDA may streamline the verification of fixed income and must verify non-fixed income annually.

LACDA Policy

The LACDA will always fully verify all income, whether from a fixed income source or a non-fixed income source.

9-I.C. SCHEDULING ANNUAL REEXAMINATIONS

The LACDA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12 month period [24 CFR 960.257(a)(1)].

LACDA Policy

Generally, the LACDA will schedule annual reexaminations to coincide with the family's anniversary date. The LACDA will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the LACDA will not perform a new annual reexamination, and the anniversary date will not be changed.

The LACDA may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The LACDA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the LACDA. However, LACDAs should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The LACDA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

LACDA Policy

Reexamination Interview

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. The interview may be conducted in person, over the telephone, or via online hosted webinar. If scheduled for an in-person interview, and the interview poses a hardship because of a family member's disability, the family should contact the LACDA to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location (including conference line or webinar access information, if appropriate) for the interview. In addition, it will inform the family of the information and documentation that must be provided to the LACDA.

If the family is unable to attend a scheduled interview, the family should contact the LACDA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the LACDA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without LACDA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Reexaminations by Mail

At the LACDA's discretion, reexaminations may be conducted by mail. Notification will be sent by first-class mail and/or posting and will inform the family of what documents are required, and the deadline for submitting the required paperwork. The notice will also inform the family that failure to return required documents by the stated deadline is grounds for termination from the program.

9-I.D. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

LACDA Policy

Face-to-Face Interviews

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a LACDA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Remote Interviews or By-Mail Reexaminations

Families will be asked to provide all required information and documentation (as described in the reexamination notice) to the LACDA. The required information will include a LACDA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The LACDA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

LACDA Policy

Each household member age 18 and over will be required to execute a consent form for release of public housing police department information regarding unauthorized activities as part of the annual reexamination process.

Additionally, HUD recommends that at annual reexaminations LACDAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

LACDA Policy

At the annual reexamination, the LACDA may ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The LACDA may use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the LACDA proposes to terminate assistance based on lifetime sex offender registration information, the LACDA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13.)

Compliance with Community Service

For families who include nonexempt individuals, the LACDA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the LACDA's policies governing compliance with the community service requirement.

9-I.E. EFFECTIVE DATES

As part of the annual reexamination process, the LACDA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

LACDA Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the LACDA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the LACDA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the LACDA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will remain the same.

If the family causes a delay in processing the annual reexamination, *decreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the LACDA by the date specified, and this delay prevents the LACDA from completing the reexamination as scheduled.

PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS
[24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the LACDA offer all families the choice of paying income-based rent or flat rent at least annually. The LACDA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the LACDA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The LACDA is only required to provide the amount of income-based rent the family might pay in those years that the LACDA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the LACDA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the LACDA's policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

LACDA Policy

For families paying flat rents, the LACDA will conduct a full reexamination of family income and composition once every 3 years.

Reexamination Policies

LACDA Policy

In conducting full reexaminations for families paying flat rents, the LACDA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

9-IL.C. REEXAMINATION OF FAMILY COMPOSITION (“ANNUAL UPDATE”)

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the LACDA to conduct a reexamination of family composition (“annual update”) [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that the LACDA does not collect information about the family’s income and expenses, and the family’s rent is not recalculated following an annual update.

Scheduling

The LACDA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

LACDA Policy

For families paying flat rents, annual updates will be conducted not less than once every 3 years following the full reexamination.

In scheduling the annual update, the LACDA will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

LACDA Policy

The family may not be required to attend an interview for an annual update. However, if the LACDA determines that an interview is warranted, the family may be required to attend.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the LACDA. The family will have 10 business days to submit the required information to the LACDA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The LACDA will accept required documentation by mail, by email, by fax, or in person.

If the family’s submission is incomplete, or the family does not submit the information in the required time frame, the LACDA will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to the LACDA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The LACDA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

LACDA Policy

Each household member age 18 and over will be required to execute a consent form for release of public housing police department information regarding unauthorized activities as part of the annual reexamination process.

Compliance with Community Service

For families who include nonexempt individuals, the LACDA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the LACDA's policies governing compliance with the community service requirement.

PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change during the period between annual reexaminations. HUD and LACDA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the LACDA must process interim reexaminations to reflect those changes. HUD regulations also permit the LACDA to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The LACDA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and LACDA policies that describe the changes families are *required* to report, the changes families *may choose* to report, and how the LACDA will process both LACDA- and family-initiated interim reexaminations.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The LACDA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the LACDA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

LACDA Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

The LACDA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require LACDA approval. However, the family is required to promptly notify the LACDA of the addition [24 CFR 966.4(a)(1)(v)].

LACDA Policy

The family must inform the LACDA of the birth, adoption, or court-awarded custody of a child within 10 calendar days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request LACDA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The LACDA may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which LACDA consent will be given or denied. Under such policies, the factors considered by the LACDA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The LACDA's obligation to make reasonable accommodation for persons with disabilities.

LACDA Policy

Families must request LACDA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 10 consecutive days or a total of 14 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the LACDA prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter 12), the LACDA will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances (such as: adding a spouse/marital-type partner and the minor children of that person; an adult child previously in the unit returns to the home after serving in the military), including reasonable accommodation, that should be considered by the LACDA. Exceptions will be made on a case-by-case basis.

The LACDA will not approve the addition of a new family or household member unless the individual meets the LACDA's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the LACDA determines that an individual does not meet the LACDA's eligibility criteria or documentation requirements, the LACDA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The LACDA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

LACDA Policy

If a household member ceases to reside in the unit, the family must inform the LACDA within 10 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the LACDA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the LACDA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

LACDA Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

LACDA-initiated Interim Reexaminations

LACDA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the LACDA. They are not scheduled because of changes reported by the family.

LACDA Policy

The LACDA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the LACDA will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the 24-month eligibility period.

If the family has reported zero income, the LACDA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the LACDA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the LACDA will conduct an interim reexamination.

The LACDA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The LACDA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

Required Reporting

HUD regulations give the LACDA the discretion to determine the circumstances under which families will be required to report changes affecting income.

LACDA Policy

The LACDA interim policy requires the families to report all changes affecting their continued eligibility in writing within 10 calendar days from the date of the occurrence. Changes include: New sources of income/ existing income, family composition, expenses related to allowable deductions (i.e., childcare, disability, and full-time student status), anticipated out of pocket (*not reimbursed*) medical expenses and/or auxiliary expenses, including citizenship eligible immigration status. The LACDA will verify all family reported information.. If it is determined that the reported changes result in a tenant increase of \$200 a month or more the LACDA will process an interim reexamination.

If a family reported a decrease in income and it is discovered during the interim reexamination review that a family member is no longer eligible for an allowance or out of pocket medical (unreimbursed) expense, and it is determined that the loss of allowance/expense results in an tenant rent increase, the LACDA will continue to process the interim regardless of the affect in the tenant rent portion.

Interims will also continue to be conducted for families' on EID, Job Plus Earned Income Disregard (JPEID), or participating on the Family Self-Sufficiency (FSS) program. Families with zero income will automatically undergo an interim reexamination review every 90 days.

Interim Change Results in a Tenant Rent Increase: The LACDA will issue the family a proper 30-day notice prior to the effective date of the new change.

Interim Change Results in a Tenant Rent Decrease: If the reported change results in a decrease, the change will be effective, the first of the following month in which the required documents are provided by the family and the changes were verified by the LACDA.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The LACDA must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

LACDA Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the LACDA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the LACDA will conduct an interim reexamination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

LACDA Policy

The family may notify the LACDA of changes either orally or in writing. If the family provides oral notice, the LACDA may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the LACDA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the LACDA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the LACDA. This time frame may be extended for good cause with LACDA approval. The LACDA will accept required documentation by mail, by email, by fax, or in person.

Effective Dates

The LACDA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

LACDA Policy

If the tenant rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the tenants rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported and required documents were provided by the family.

PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the LACDA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the LACDA's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

LACDA Policy

Unless the LACDA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the LACDA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the LACDA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the LACDA's schedule of Utility Allowances for families in the LACDA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the LACDA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the LACDA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the LACDA's grievance procedure [24 CFR 966.4(c)(4)].

LACDA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the tenant rent.

9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the LACDA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the LACDA may discover errors made by the LACDA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the LACDA's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the LACDA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the LACDA.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals, including service and support animals, and pets, and contains policies related to the designation of an assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303; 24 CFR 960.705;
Notice FHEO 2020-01]

10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal, including service and support animals, may be denied, and also establishes standards for the care of assistance animals.

Notice FHEO 2020-01 was published January 28, 2020. The notice provides guidance to help LACDAs and other housing providers distinguish between a person with a non-obvious disability who has a legitimate need for an assistance animal and a person without a disability who simply wants to have a pet or avoid the costs and limitations imposed by the LACDA's pet policies. FHEO 2020-01 makes clear that the notice is guidance and a tool for LACDAs and other housing providers to use at their discretion and provides a set of best practices for addressing requests for assistance animals. The guidance in FHEO 2020-01 should be read together with HUD's regulations prohibiting discrimination under the Fair Housing Act (FHA) and the HUD/Department of Justice (DOJ) Joint Statement on Reasonable Accommodation under the Fair Housing Act. Housing providers may also be subject to the Americans with Disabilities Act (ADA) and should therefore refer also to DOJ's regulations implementing Titles II and III of the ADA at 28 CFR Parts 35 and 36, in addition to DOJ's other guidance on assistance animals.

There are two types of assistance animals: (1) service animals, and (2) other animals that do work, perform tasks, provide assistance, and/or provide therapeutic emotional support for individuals with disabilities (i.e., support animals).

Assistance animals, including service and support animals, are not pets and thus are not subject to the LACDA's pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705; Notice FHEO 2020-01].

10-I.B. APPROVAL OF ASSISTANCE ANIMALS [Notice FHEO 2020-01]

Service Animals

Notice FHEO 2020-01 states that LACDAs should initially follow the Department of Justice (DOJ) analysis to assessing whether an animal is a service animal under the Americans with Disabilities Act (ADA). Under the ADA, a *service animal* means any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Other species of animals, whether wild or domestic, trained or untrained, are not service animals for the purposes of this definition. The work or tasks performed by a service animal must be directly related to the individual's disability.

As a best practice, housing providers may use the following questions to help them determine if an animal is a service animal under the ADA:

- Is the animal a dog? If not, the animal is not a service animal but may be another type of assistance animal for which an accommodation is needed (support animal).
- Is it readily apparent that the dog is trained to do work or perform tasks for the benefit of the individual with a disability? If yes, further inquiries are inappropriate because the animal is a service animal. If not, it is advisable that the LACDA limit its inquiries to the following two questions: (1) Is the animal required because of the disability? and (2) What work or task has the animal been trained to perform?

If the answer to question (1) is “yes” and work or a task is identified in response to question (2), grant the requested accommodation if otherwise reasonable. If the answer to either question is “no,” the animal does not qualify as a service animal but may be a support animal.

A service animal must be permitted in all areas of the facility where members of the public are allowed.

Support Animals (Assistance Animals other than Service Animals)

If the animal does not qualify as a service animal, the LACDA must next determine whether the animal would qualify as a support animal (other type of assistance animal). If the individual has indeed requested a reasonable accommodation to get or keep an animal in connection with a physical or mental impairment or disability, the LACDA may use the following questions to help them assess whether to grant the accommodation in accordance with the policies outlined in Chapter 2 (the LACDA is not required to grant a reasonable accommodation that has not been requested):

- Does the person have an observable disability or does the LACDA already have information giving them reason to believe that the person has a disability? If not, has the person requesting the accommodation provided information that reasonably supports that the person seeking the accommodation has a disability?

- If the person has an observable disability, the LACDA already has information giving them reason to believe the person has a disability, or the person has provided information supporting that he or she has a disability, then has the person provided information that reasonably supports that the animal does work, performs tasks, provides assistance, and/or provides therapeutic emotional support with respect to the individual's disability?
- If yes, is the animal commonly kept in households? An *animal commonly kept in households* would be a dog, cat, small bird, rabbit, hamster, gerbil, other rodent, fish, turtle, or other small, domesticated animal that is traditionally kept in the home for pleasure rather than for commercial purposes. For purposes of this assessment, reptiles (other than turtles), barnyard animals, monkeys, kangaroos, and other non-domesticated animals are not considered common household animals.

If the individual is requesting to keep a unique animal not commonly kept in households, then the requestor has the substantial burden of demonstrating a disability-related therapeutic need for the specific animal or the specific type of animal. Such individuals are encouraged to submit documentation from a health care professional.

General Considerations

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

Before denying a reasonable accommodation request due to lack of information confirming an individual's disability or disability-related need for an animal, the LACDA is encouraged to engage in a good-faith dialog with the requestor called the "interactive process" [FHEO 2020-01].

A LACDA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A LACDA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

The Fair Housing Act does not require a dwelling to be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or would result in substantial physical damage to the property of others. A LACDA may therefore refuse a reasonable accommodation for an assistance animal if the specific animal poses a direct threat

that cannot be eliminated or reduced to an acceptable level through the actions the individual takes to maintain or control the animal (e.g., keeping the animal in a security enclosure).

While most requests for reasonable accommodations involve one animal, requests sometimes involve more than one animal (for example, a person has a disability-related need for both animals, or two people living together each have a disability-related need for a separate assistance animal). The decision-making process in Notice FHEO 2020-01 should be used in accordance with the reasonable accommodation policies in Chapter 2 for all requests for exceptions or modifications to the LACDA's rules, policies, practices, and procedures so that persons with disabilities can have assistance animals in the housing where they reside.

LACDAs have the authority to regulate service animals and assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

LACDA Policy

For an animal to be excluded from the pet policy and be considered a service animal, it must be a trained dog, and there must be a person with disabilities in the household who requires the dog's services.

For an animal to be excluded from the pet policy and be considered a support animal, there must be a person with disabilities in the household, there must be a disability-related need for the animal, and the family must request and the LACDA approve a reasonable accommodation in accordance with the criteria outlined in Notice FHEO 2020-01 and the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a LACDA may have to regulate assistance animals, including service animals, under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

LACDA Policy

Residents are responsible for feeding, maintaining, providing veterinary care, and controlling their assistance animals. A resident may do this on his or her own or with the assistance of family, friends, volunteers, or service providers.

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the LACDA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the LACDA determines that no such accommodation can be made, the LACDA may withdraw the approval of a particular assistance animal.

PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

LACDAs may require registration of the pet with the LACDA [24 CFR 960.707(b)(5)].

LACDA Policy

Pets must be registered with the LACDA at least 10 days before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

To register a pet, the owner must provide two color photographs of their pet(s). The owner will be provided with a “Pet Here” sticker, which must be displayed on the front door of the unit at all times.

The owner must provide sufficient information to identify the pet and to demonstrate that it is a common household pet.

The pet owner must acknowledge in writing that he/she has read the pet rules and agrees to be bound by them.

Refusal to Register Pets

LACDA Policy

The LACDA will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The LACDA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the LACDA refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the LACDA's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the LACDA's grievance procedures.

Pet Agreement

LACDA Policy

Residents who have been approved to have a pet must enter into a pet agreement with the LACDA, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the LACDA's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the LACDA's pet policy and applicable house rules may result in the withdrawal of LACDA approval of the pet or termination of tenancy.

10-IL.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

LACDAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the LACDA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

LACDAs may not require pet owners to have any pet's vocal cords removed.

LACDAs may not require pet owners to obtain or carry liability insurance.

LACDAs may not require that cats be declawed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize LACDAs to define the term [24 CFR 5.306(2)].

LACDA Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

- Reptiles (except turtles)
- Insects
- Arachnids
- Wild animals or feral animals
- Pot-bellied pigs
- Animals used for commercial breeding
- Rodents, except for rabbits, guinea pigs, or hamsters

Pet Restrictions

LACDA Policy

The following animals are not permitted:

Vicious or intimidating dogs defined under California law (Food and Agriculture Code Sec. 31603), as a) Any dog seized under Section 599aa of the California Penal Code and upon the sustaining of a conviction of the owner or keeper under subdivision (a) of Section 597.5 of the Penal Code. (b) Any dog which, when provoked, in an aggressive manner, inflicts severe injury on or kills a human being. (c) Any dog previously determined to be and currently listed as a potentially dangerous dog, which, after its owner or keeper has been notified of this determination, continues the behavior

Any animal whose adult weight will exceed 30 pounds

Any dog breeds that have been determined to be “potentially dangerous” or “vicious” under California law or local animal control ordinance

Ferrets, hedgehogs, or other animals whose natural protective mechanisms pose a risk to small children of serious bites, punctures, or lacerations

Any animal not permitted under state or local law or code

Poisonous animals of any kind

Chicks or other animals posing a significant risk of salmonella infection to handlers

Pigeons, doves, mynahs, parrots, and birds of other species that are hosts to the organisms that cause psittacosis in humans

Snakes, or other reptiles (except turtles)

Number of Pets

LACDA Policy

Residents may own a maximum of 2 pets, only 1 of which may be a dog.

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 10 gallons. Such a tank or aquarium will be counted as 1 pet. The aquarium must be maintained on an approved stand.

In the case of birds, residents may keep no more than two in a cage. Birds must be enclosed in a cage at all times.

A resident may own a maximum of one rodent (limited to rabbits, guinea pigs, or hamsters), and the animal must be maintained in an acceptable cage at all times. The rodent must have any inoculations as required by state or local law.

Other Requirements

LACDA Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Dogs must be housebroken. Cats must be trained to use a litter box or other waste receptacle.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

Litters resulting from a pet must be removed when the puppies/kittens are weaned or reach eight weeks of age.

10-II.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with LACDA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

LACDA Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried. They must be under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including management offices, lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

All fecal matter deposited by the pet(s) must be promptly and completely removed from any common area.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

LACDAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

LACDAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The LACDA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The LACDA may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

LACDAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

LACDA Policy

With the exception of common areas as described in the previous policy, the LACDA has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the LACDA has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

Cleanliness

LACDA Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the LACDA.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

LACDA Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

LACDA Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

LACDA Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage LACDA property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

LACDA Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the LACDA and sign a statement that they agree to abide by all of the pet rules.

Pets Temporarily on the Premises

LACDA Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the LACDA.

Pet Rule Violations

LACDA Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

LACDA Policy

If the pet owner and the LACDA are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the LACDA, the LACDA may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the LACDA's determination of the pet rule that has been violated

The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

LACDA Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the LACDA after reasonable efforts cannot contact the responsible party, the LACDA may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

LACDA Policy

The LACDA may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

LACDA Policy

The LACDA will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the LACDA to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

10-III.A. OVERVIEW

This part describes the LACDA's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-III.B. PET DEPOSITS

Payment of Deposit

The LACDA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a LACDA on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the LACDA may require. The LACDA may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

LACDA Policy

Pet owners are required to pay a refundable pet deposit in addition to any other required deposits. The amount of the deposit is \$75.00 for elderly developments and \$200.00 for family developments, per unit for the purpose of defraying all reasonable costs directly attributable to the presence of a pet. The deposit fee shall not apply to birds and fish. The pet owner may pay the pet deposit through making an initial payment not to exceed \$50 when the pet is brought onto the premises, and subsequent monthly payments of \$10 per month until the amount of the deposit is reached.

Refund of Deposit [24 CFR 5.318(d)(1)]

The LACDA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The LACDA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

LACDA Policy

The LACDA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The LACDA will provide the resident with a written list of any charges against the pet deposit within 21 days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the LACDA will provide a meeting to discuss the charges.

10-III.C. OTHER CHARGES

Pet-Related Damages During Occupancy

LACDA Policy

All reasonable expenses incurred by the LACDA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the LACDA's ability to impose charges for house pet rule violations. However, charges for violation of LACDA pet rules may be treated like charges for other violations of the lease and LACDA tenancy rules.

LACDA Policy

A separate pet waste removal charge of \$5.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Charges for pet waste removal are not part of rent payable by the resident.

PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS

10-IV.A. OVERVIEW

This part describes the LACDA's policies for pet deposits and fees for those who reside in general occupancy developments.

10-IV.B. PET DEPOSITS

A LACDA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A LACDA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The LACDA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

LACDA Policy

Pet owners are required to pay a pet deposit of \$75 in addition to any other required deposits. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

LACDA Policy

The LACDA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The LACDA will provide the resident with a written list of any charges against the pet deposit within 21 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the LACDA will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

LACDAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

LACDA Policy

The LACDA does not require pet owners to pay a non-refundable nominal pet fee.

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

LACDA Policy

All reasonable expenses incurred by the LACDA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit
- Fumigation of the dwelling unit
- Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the LACDA's ability to impose charges for house pet rule violations. However, charges for violation of LACDA pet rules may be treated like charges for other violations of the lease and LACDA tenancy rules.

LACDA Policy

A separate pet waste removal charge of \$50.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 14 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

Chapter 11

COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring LACDAs to implement a community service program for all nonexempt adults living in public housing.

This chapter describes HUD regulations and LACDA policies related to these topics in two parts:

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.

Part II: LACDA Implementation of Community Service. This part provides LACDA policy regarding LACDA implementation and program design.

PART I: COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). LACDAs and residents must comply with the community service requirement, effective with LACDA fiscal years that commenced on or after October 1, 2000. Per 903.7(1)(1)(iii), the LACDA Plan must contain a statement of how the LACDA will comply with the community service requirement, including any cooperative agreement that the LACDA has entered into or plans to enter into.

Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities [24 CFR 960.601(b)].

In administering community service requirements, the LACDA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

11-I.B. REQUIREMENTS

Each adult resident of the LACDA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).
- The required community service or self-sufficiency activity may be completed 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance [Notice PIH 2015-12].

Definitions

Exempt Individual [24 CFR 960.601(b), Notice PIH 2015-12]

An *exempt individual* is an adult who:

- Is age 62 years or older
- Is blind or disabled (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

LACDA Policy

The LACDA will consider 30 hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- Is able to meet requirements of being exempted under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program
 - This exemption applies to anyone whose characteristics or family situation meet the welfare agency exemption criteria and can be verified.
- Is a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program.

Community Service [24 CFR 960.601(b), Notice PIH 2015-12]

Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self responsibility in the community. Community service is not employment and may not include political activities.

Eligible community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving LACDA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- LACDA housing to improve grounds or provide gardens (so long as such work does not alter the LACDA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

LACDAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

LACDA Policy

Community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work will not be considered eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2015-12]

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

Eligible self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate

Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2015-12, Notice PIH 2016- 06]

The LACDA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for LACDA verification of exempt status. The LACDA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, such as Attachment A of Notice PIH 2015-12, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease. The family must also sign a certification at annual reexamination, such as Attachment B of Notice PIH 2015-12, certifying that they understand the requirement.

LACDA Policy

The LACDA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request. The policy will notify the family that self-certification forms are subject to review by the LACDA.

On an annual basis, at the time of lease renewal, the LACDA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

The LACDA must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

LACDA Policy

Where the lease term does not coincide with the effective date of the annual reexamination, the LACDA will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the LACDA will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

LACDA Policy

At least 30 days prior to lease renewal, the LACDA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the LACDA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the LACDA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The LACDA must review resident family compliance with service requirements annually at least 30 days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the LACDA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

LACDA Policy

Approximately 60 days prior to the end of the lease term, the LACDA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the LACDA required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or LACDA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status between Annual Determinations

LACDA Policy

Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the twelve month lease term, it is the family's responsibility to report this change to the LACDA within 10 business days.

Within 10 business days of a family reporting such a change, or the LACDA determining such a change is necessary, the LACDA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

Determination of Initial Compliance

When an adult family member becomes subject to community service, he or she must perform 8 hours of community service for the months he or she is subject to the requirement before the end of the lease term (anniversary date).

Example 1: Alberto Jones turns 18 on 5/10 and is not exempt from the community service requirement. His community service requirement begins on 6/1, and his initial compliance is reviewed before the end of the lease term (anniversary date), which is 11/30.

- Alberto must perform 6 months of community service in his initial compliance period, before the end of the lease term (anniversary date).

Example 2: Lisa Dewhurst leaves her job on 9/20 and is not exempt from the community service requirement. Her community service requirement begins on 10/1, and her initial compliance is reviewed before the end of the lease term (anniversary date), which is 6/30.

- Ms. Dewhurst must perform 9 months of community service in her initial compliance period, before the end of the lease term (anniversary date).

Nonexempt to Exempt Status

If a nonexempt person becomes exempt during the twelve month lease term, it is the family's responsibility to report this change to the LACDA within 5 business days. Any claim of exemption will be verified by the LACDA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

After reporting such a change, or the LACDA determining such a change is necessary, the LACDA will provide the family notice that the family member is no longer subject to the community service requirement, if the LACDA is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4), 960.607, Notice PIH 2016-08]

The LACDA must retain reasonable documentation of service requirement performance or exemption in participant files.

Documentation and Verification of Exemption Status

LACDA Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The LACDA will provide a completed copy to the family and will keep a copy in the tenant file.

The LACDA will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The LACDA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the LACDA's determination, s/he can dispute the decision through the LACDA's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the LACDA of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2015-12].

If qualifying community service activities are administered by an organization other than the LACDA, a family member who is required to fulfill a service requirement must provide documentation required by the LACDA. The LACDA may require a self-certification or certification from a third party [24 CFR 960.607].

If the LACDA accepts self-certification of compliance with the community service requirement, it must provide a form which includes a statement that the client performed the required hours, contact information for the community service provider, a description of activities performed, and dates of service.

If the LACDA accepts self-certification, it must validate a sample of certifications through third-party documentation. The LACDA must notify families that self-certification forms are available and that a sample of self-certifications will be validated. HUD PIH Notice 2016-06 provides the appropriate sampling methodology to be used by the LACDA when determining how many self-certifications must be validated annually

HUD strongly encourages LACDAs to investigate community service compliance when there are questions of accuracy.

LACDA Policy

Each individual who is subject to the community service requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the LACDA, upon request by the LACDA, at least annually.

If the LACDA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the LACDA has the right to require additional third-party verification.

11-I.E. NONCOMPLIANCE

Noncompliant Residents

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

LACDAs may not evict a family due to CSSR noncompliance. However, if LACDA finds a tenant is noncompliant with CSSR, the LACDA must provide written notification to the tenant of the noncompliance which must include:

- A brief description of the finding of non-compliance with CSSR.
- A statement that the LACDA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the LACDA or the family provides written assurance that is satisfactory to the LACDA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement [24 CFR 960.607(c), Notice PIH 2015-12].

The notice must also state that the tenant may request a grievance hearing on the LACDA's determination, in accordance with the LACDA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the LACDA's nonrenewal of the lease because of the LACDA's determination.

LACDA Policy

The notice of noncompliance will be sent at least 30 days prior to the end of the lease term.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written work-out agreement to cure the noncompliance over the 12 month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the LACDA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the LACDA will terminate tenancy in accordance with the policies in Section 13-IV.D.

Continued Noncompliance and Enforcement Documentation [24 CFR 960.607(b)]

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, LACDAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease (see 24 CFR 966.53(c)) for failure to comply with lease requirements. When initiating termination of tenancy proceedings, the LACDA will provide the following procedural safeguards:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the LACDA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and,
- A decision on the merits.

LACDA Policy

Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the LACDA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART II: IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

Each LACDA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the LACDA's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

LACDA Implementation of Community Service

The LACDA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by LACDA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

LACDA Policy

The LACDA will notify its insurance company if residents will be performing community service at the LACDA. In addition, the LACDA will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the LACDA will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

LACDA Program Design

The LACDA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

LACDA Policy

The LACDA will attempt to provide the broadest choice possible to residents as they choose community service activities.

The LACDA's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The LACDA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The LACDA will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the LACDA will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the LACDA Plan.

The LACDA will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.

When the LACDA has a ROSS program, a ROSS Service Coordinator, or an FSS program, the LACDA will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with LACDA coordinators will satisfy community service activities and LACDA coordinators will verify community service hours within individual monthly logs.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving LACDA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- LACDA housing to improve grounds or provide gardens (so long as such work does not alter the LACDA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

Note: Political activity is excluded.

Self-Sufficiency Activities – self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

Exempt Adult – an adult member of the family who meets any of the following criteria:

- Is 62 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][I] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individual
- Is engaged in *work activities*
- Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program; or
- Is a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program

LACDAs can use reasonable guidelines in clarifying the work activities in coordination with TANF, as appropriate.

Work Activities – as it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.
2. At least eight (8) hours of activity must be performed each month, or may be aggregated across a year. Any blocking of hours is acceptable as long as long as 96 hours is completed by each annual certification of compliance.
3. Family obligation:
 - At lease execution, all adult members (18 or older) of a public housing resident family must:
 - Sign a certification (Attachment A) that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease; and
 - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
 - Upon written notice from the LACDA, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying the number of hours.
 - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.
 - At annual reexamination, the family must also sign a certification certifying that they understand the community service requirement.
4. Change in exempt status:
 - If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the LACDA and provide documentation of exempt status.
 - If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the LACDA. Upon receipt of this information the LACDA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the LACDA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
 - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The LACDA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the LACDA will verify the exemption status in accordance with its verification policies. The LACDA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the LACDA's grievance procedure if they disagree with the LACDA's determination.
4. Noncompliance of family member:
 - At least thirty (30) days prior to the end of the 12-month lease term, the LACDA will begin reviewing the exempt or nonexempt status and compliance of family members;
 - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the LACDA finds the family member to be noncompliant, the LACDA will not renew the lease unless:
 - The head of household and any other noncompliant resident enter into a written agreement with the LACDA, to make up the deficient hours over the next twelve (12) month period; or
 - The family provides written documentation satisfactory to the LACDA that the noncompliant family member no longer resides in the unit.
 - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the LACDA that the noncompliant family member no longer resides in the unit;
 - The family may use the LACDA's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

Resident

Date

Resident

Date

Resident

Date

Resident

Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(1) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: LACDA DETERMINATION OF EXEMPTION FOR COMMUNITY SERVICE

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the LACDA's community service requirement for the following reason:

- I 62 years of age or older (*Documentation of age in file*)
- I Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement (*Documentation of HUD definition of disability in file*)

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

Signature of Family Member

Date

- I Is the primary caretaker of such an individual in the above category (*Documentation in file*)
- I Is engaged in work activities (*Verification in file*)
- I Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program (*Documentation in file*)
- I Is a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the LACDA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP), and has not been found by the state or other administering entity to be in noncompliance with such program (*Documentation in file*)

Signature of Family Member

Date

Signature of LACDA Official

Date

EXHIBIT 11-4: CSSR WORK-OUT AGREEMENT

Date: _____

Noncompliant Adult: _____

Adult family member: _____

Community Service & Self-Sufficiency Requirement (CSSR):

Under Section 12 of the U.S. Housing Act, the _____ (insert name of LACDA) is required to enforce the community service and self-sufficiency requirement (CSSR). Under the CSSR, each nonexempt adult family member residing in public housing must perform 8 hours per month of community service or self sufficiency activities.

Noncompliance: _____ (insert name of LACDA) has found that the nonexempt individual named above is in noncompliance with the CSSR. This work-out agreement is the LACDA's written notification to you of this noncompliance.

Our records show that for the most recent lease term you were required to perform _____ hours of CSSR activities. However, there were _____ hours of verified CSSR activities. Therefore, you are in noncompliance for _____ hours.

_____ (insert name of LACDA) will not renew the lease at the end of the current 12-month lease term unless the head of household and noncompliant adult sign a written work-out agreement with _____ (insert name of LACDA) or the family provides written assurance that is satisfactory to _____ (insert name of LACDA) explaining that the noncompliant adult no longer resides in the unit. The regulations require that the work-out agreement include the means through which a noncompliant family member will comply with the CSSR requirement. [24 CFR 960.607(c), Notice PIH 2015-12]. The terms of the CSSR work-out agreement are on the reverse side of this page.

Enforcement: Should a family member refuse to sign this CSSR work-out agreement, or fail to comply with the terms of this CSSR work-out agreement, or fail to provide satisfactory written assurance that the noncompliant adult no longer resides in the unit, _____ (insert name of LACDA) is required to initiate termination of tenancy proceedings at the end of the current 12-month lease [24 CFR 966.53(c)].

Terms of CSSR Work-Out Agreement

Noncompliant Adult: _____

Please check one of the below boxes:

- I [head of household or spouse/cohead] certify that the noncompliant adult named above no longer resides in the unit. [Verification attached.]
- I, the noncompliant adult named above, agree to complete _____ hours in the upcoming 12-month lease term. These hours include the _____ hours not fulfilled in the most previous lease term, plus the 96 hours for the upcoming lease term.

Below is a description of means through which I will comply with the CSSR requirement:

Description of Activity	Number of Hours
-------------------------	-----------------

- 1.
- 2.
- 3.
- 4.
- 5.

Total Hours	
--------------------	--

SIGNED AND ATTESTED THIS DATE

Signature: _____ Date: _____
 Head of Household

Signature: _____ Date: _____
 Noncompliant Adult, if other than Head of Household

Signature: _____ *Date:* _____
LACDA Official

Chapter 12

TRANSFER POLICY

INTRODUCTION

This chapter explains the LACDA's transfer policy, based on HUD regulations, HUD guidance, and LACDA policy decisions.

This chapter describes HUD regulations and LACDA policies related to transfers in four parts:

Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.

Part II: LACDA Required Transfers. This part describes types of transfers that may be required by the LACDA, notice requirements, and payment of transfer costs.

Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.

Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The LACDA may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The LACDA must have specific policies in place to deal with acceptable transfer requests.

PART I: EMERGENCY TRANSFERS

12-I.A. OVERVIEW

HUD categorizes certain situations that require emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the LACDA.

In the case of a genuine emergency, it may be unlikely that the LACDA will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the LACDA should find alternate accommodations for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit, is possible.

12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the LACDA must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

The VAWA 2013 final rule requires the LACDA to adopt an emergency transfer plan for victims of domestic violence, dating violence, sexual assault, or stalking.

LACDA Policy

The following are considered emergency circumstance warranting an immediate transfer of the tenant or family:

Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health, or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak, no heat in the building during the winter, no water, toxic contamination, and serious water leaks.

A verified incident of domestic violence, dating violence, sexual assault, or stalking. For instances of domestic violence, dating violence, sexual assault, or stalking, the threat may be established through documentation outlined in section 16-VII.D. In order to request the emergency transfer, the requestor must submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP), although, the LACDA may waive this requirement in order to expedite the transfer process.

The LACDA will immediately process requests for transfers due to domestic violence, dating violence, sexual assault, or stalking. The LACDA will allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available. The LACDA defines *immediately available* as a vacant unit, that is ready for move-in within a reasonable period of time. If an internal transfer to a safe unit is not immediately available, the LACDA will assist the resident in seeking an external emergency transfer either within or outside the LACDA's programs.

The LACDA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

12-I.C. EMERGENCY TRANSFER PROCEDURES

LACDA Policy

If the transfer is necessary because of maintenance conditions, and an appropriate unit is not immediately available, the LACDA will provide temporary accommodations to the tenant by arranging for temporary lodging at a hotel or similar location. If the conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the LACDA will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers that arise due to maintenance conditions are mandatory for the tenant.

If the emergency transfer is necessary to protect a victim of domestic violence, dating violence, sexual assault, or stalking, the LACDA will follow procedures outlined in Exhibit 16-4.

12-I.D. COSTS OF TRANSFER

LACDA Policy

The LACDA will bear the reasonable costs of temporarily accommodating the tenant and of long term transfers, if any, due to emergency conditions.

The reasonable cost of transfers includes the cost of packing, moving, and unloading.

The LACDA will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the LACDA will collect information from companies in the community that provide these services.

The LACDA will reimburse the family for eligible out-of-pocket moving expenses up to the LACDA's established moving allowance.

PART II: LACDA REQUIRED TRANSFERS

12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the LACDA to develop reasonable transfer policies.

The LACDA may require that a resident transfer to another unit under some circumstances. For example, the LACDA may require a resident to transfer to make an accessible unit available to a disabled family. The LACDA may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a LACDA may transfer residents in order to demolish or renovate the unit.

A transfer that is required by the LACDA is an adverse action, and is subject to the notice requirements for adverse actions [24 CFR 966.4(e)(8)(i)].

12-II.B. TYPES OF LACDA REQUIRED TRANSFERS

LACDA Policy

The types of transfers that may be required by the LACDA, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the LACDA are mandatory for the tenant.

Transfers to Make an Accessible Unit Available

When a family is initially given an accessible unit, but does not require the accessible features, the LACDA may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

LACDA Policy

When a non-accessible unit becomes available, the LACDA will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. The LACDA may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

Occupancy Standards Transfers

The LACDA may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to LACDA policy [24 CFR 960.257(a)(4)]. On some occasions, the LACDA may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

LACDA Policy

The LACDA will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied. When determining whether to transfer a family to a different development, the LACDA will take into consideration the geographical distances between the areas and may delay requiring the family to transfer until a suitable unit within a reasonable distance or in the same development is available.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

Overcrowded: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

Over-housed: the family no longer qualifies for the bedroom size in which they are living based on the LACDA's occupancy standards as described in Section 5-I.B.

The LACDA may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on the LACDA's occupancy standards, when the LACDA determines there is a need for the transfer.

The LACDA may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the LACDA that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Demolition, Disposition, Revitalizations, or Rehabilitation Transfers

These transfers permit the LACDA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

LACDA Policy

The LACDA will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The LACDA's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

A LACDA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the LACDA may not take action on the transfer until the conclusion of the grievance process.

12-II.D. COST OF TRANSFER

LACDA Policy

The LACDA will bear the reasonable costs of transfers that the LACDA requires, except that residents will be required to bear the cost of occupancy standards transfers.

The reasonable costs of transfers include the cost of packing, moving, and unloading.

The LACDA will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the LACDA will collect information from companies in the community that provide these services.

The LACDA will reimburse the family for eligible out-of-pocket moving expenses up to the LACDA's established moving allowance.

PART III: TRANSFERS REQUESTED BY TENANTS

12-III.A. OVERVIEW

HUD provides the LACDA with discretion to consider transfer requests from tenants. The only requests that the LACDA is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the LACDA. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the LACDA.

Some transfers that are requested by tenants should be treated as higher priorities than others due to the more urgent need for the transfer.

12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS

LACDA Policy

A resident must have resided in their unit for a minimum of 24 months before being eligible to transfer to another unit. Residents may not request more than one transfer within any four year period. Other than for purposes of reasonable accommodation, transfer requests to a specific unit are not considered.

The LACDA will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the LACDA's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, or a hate crime.

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The LACDA will consider all other transfer requests as regular priority requests.

Transfers requested by the tenant are considered optional for the tenant.

12-III.C. ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the LACDA may establish other standards for considering a transfer request [PH Occ GB, p. 150].

LACDA Policy

Except where reasonable accommodation is being requested, the LACDA will only consider transfer requests from residents that meet the following requirements:

- Have not engaged in criminal activity that threatens the health and safety of residents and staff

- Owe no back rent or other charges, or have a pattern of late payment

- Have no housekeeping lease violations or history of damaging property

- Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the LACDA's advantage to make the transfer.

Exceptions will also be made when the LACDA determines that a transfer is necessary to protect the health or safety of a resident who is a victim of domestic violence, dating violence, sexual assault, or stalking, and who provides documentation of abuse in accordance with section 16-VII.D of this ACOP. Tenants who are not in good standing may still request an emergency transfer under VAWA.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

12-III.D. SECURITY DEPOSITS

LACDA Policy

If the resident transfers within the same development or a different development, the security deposit will be applied to any amounts needed to pay the cost of unpaid rent, damages, or other charges due under the current lease. If any balance remains, the balance will be refunded, and a new security deposit will be charged under the new lease.

12-III.E. COST OF TRANSFER

The LACDA must pay moving expenses to transfer a resident with a disability to an accessible unit as an accommodation for the resident's disability [Notice PIH 2010-26].

LACDA Policy

The resident will bear all of the costs of transfer s/he requests. However, the LACDA may bear the transfer costs when the transfer is done as a reasonable accommodation.

12-III.F. HANDLING OF REQUESTS

LACDA Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In order to request the emergency transfer under VAWA, the resident will be required to submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP). The LACDA may, on a case-by-case basis, waive this requirement and accept a verbal request in order to expedite the transfer process. If the LACDA accepts an individual's statement, the LACDA will document acceptance of the statement in the individual's file in accordance with 16-VII.D. of this ACOP. Transfer requests under VAWA will be processed in accordance with the LACDA's Emergency Transfer Plan (Exhibit 16-3).

In case of a reasonable accommodation transfer, the LACDA will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the LACDA will consider the transfer request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

The LACDA will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family, such as documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP.

If the family does not meet the "good record" requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The LACDA will respond within ten (10) business days of the submission of the family's request. If the LACDA denies the request for transfer, the family will be informed of its grievance rights.

PART IV: TRANSFER PROCESSING

12-IV.A. OVERVIEW

Generally, families who request a transfer should be placed on a transfer list and processed in a consistent and appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience inequitable treatment.

12-IV.B. TRANSFER LIST

LACDA Policy

The LACDA will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency cannot be resolved by a temporary accommodation, and the resident requires a permanent transfer, the family will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous maintenance conditions, VAWA)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, and reasonable accommodation)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other LACDA-required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

With the approval of the executive director, the LACDA may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.

Demolition and renovation transfers will gain the highest priority as necessary to allow the LACDA to meet the demolition or renovation schedule.

Transfers will take precedence over waiting list admissions.

12-IV.C. TRANSFER OFFER POLICY

LACDA Policy

Residents will receive one offer of a transfer.

When the transfer is required by the LACDA, the refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, the refusal of that offer without good cause will result in the removal of the family from the transfer list. In such cases, the family must reapply for another transfer.

12-IV.D. GOOD CAUSE FOR UNIT REFUSAL

LACDA Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Unit is not of the proper size and type, and the transferred resident's household would be able to reside there only temporarily.

The family demonstrates to the LACDA's satisfaction that accepting the offer will place a family member's life, health, or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, risk assessments related to witness protection from a law enforcement agency, or documentation of domestic violence, dating violence, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

An elderly family makes the decision not to occupy or accept occupancy in designated housing.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

The LACDA will require documentation of good cause for unit refusals.

12-IV.E. DECONCENTRATION

LACDA Policy

If subject to deconcentration requirements, the LACDA will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the LACDA's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS

LACDA Policy

The reexamination date will not be changed to the first of the month in which the transfer took place.

Chapter 13

LEASE TERMINATIONS

INTRODUCTION

Either party to the dwelling lease agreement may terminate the lease in accordance with the terms of the lease. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program. The LACDA has the authority to terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations also specify when termination of the lease is mandatory by the LACDA.

When determining LACDA policy on terminations of the lease, the LACDA must consider state and local landlord-tenant laws in the area where the LACDA is located. Such laws vary from one location to another, and these variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern voluntary termination of the lease by the family and the mandatory and voluntary termination of the lease by the LACDA. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the LACDA requirements for voluntary termination of the lease by the family.

Part II: Termination by LACDA - Mandatory. This part describes circumstances when termination of the lease by the LACDA is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by LACDA – Other Authorized Reasons. This part describes the LACDA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes LACDAs to terminate. For some of these options HUD requires the LACDA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the LACDA has full discretion whether to consider the options as just cause to terminate as long as the LACDA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the LACDA may consider in lieu of termination, and the criteria the LACDA will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and LACDA policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

PART I: TERMINATION BY TENANT

13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the property site office or the LACDA central office or sent by pre-paid first-class mail, properly addressed.

LACDA Policy

If a family desires to move and terminate their tenancy with the LACDA, they must give at least 30 calendar days advance written notice to the LACDA of their intent to vacate. When a family must give less than 30 days notice due to circumstances beyond their control the LACDA, at its discretion, may waive the 30-day requirement.

The notice of lease termination must be signed by the head of household, spouse, co-head or designated representative if possible.

PART II: TERMINATION BY LACDA – MANDATORY

13-II.A. OVERVIEW

HUD requires mandatory termination of the lease for certain actions or inactions of the family. There are other actions or inactions of the family that constitute *grounds* for lease termination, but the lease termination is not mandatory. The LACDA must establish policies for termination of the lease in these cases where termination is optional for the LACDA.

For those tenant actions or failures to act where HUD requires termination, the LACDA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the LACDA to terminate the lease.

13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The LACDA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The LACDA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the LACDA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

13-II.D. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3), Notice PIH 2018-24]

The LACDA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the LACDA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the LACDA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the LACDA determined the family to be noncompliant.

LACDA Policy

The LACDA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

See Chapter 7 for a complete discussion of documentation and certification requirements.

13-II.E. FAILURE TO ACCEPT THE LACDA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The LACDA must terminate the lease if the family fails to accept the LACDA's offer of a lease revision to an existing lease, provided the LACDA has done the following:

- The revision is on a form adopted by the LACDA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The LACDA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The LACDA has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to LACDA policies for offering lease revisions.

13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The LACDA must immediately terminate the lease if the LACDA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

See Part 13-III.B. below for the HUD definition of *premises*.

13-II.G. LIFETIME REGISTERED SEX OFFENDERS [Notice PIH 2012-28]

Should a LACDA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the LACDA must immediately terminate assistance for the household member.

In this situation, the LACDA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the LACDA must terminate assistance for the household.

13-II.H. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]

The LACDA is prohibited from renewing the lease at the end of the 12-month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

13-II.I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2012-4]

The LACDA must immediately terminate the lease following the death of the sole family member.

PART III: TERMINATION BY LACDA – OTHER AUTHORIZED REASONS

13-III.A. OVERVIEW

Besides requiring LACDAs to terminate the lease under the circumstances described in Part II, HUD requires the LACDA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require LACDAs to terminate for such violations in all cases. The LACDA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the LACDA may, as an alternative to termination, require the exclusion of the culpable household member. The LACDA must adopt policies concerning the use of these options.

In addition, HUD authorizes LACDAs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or for other good cause. The LACDA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the LACDA lease. In the development of the terms of the lease, the LACDA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords LACDAs wide discretion in some areas, a broad range of policies could be acceptable.

The LACDA also has the option to terminate the tenancies of certain over-income families.

The LACDA may consider alternatives to termination and must establish policies describing the criteria the LACDA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the LACDA must take when terminating a family's lease.

13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(1)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require LACDAs to terminate for such violations in all cases, therefore LACDA policies are needed.

***Definitions* [24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

Affiliated individual is defined in section 16-VII.B.

Covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Dating violence is defined in section 16-VII.B.

Domestic violence is defined in section 16-VII.B.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

Guest means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

Household means the family and LACDA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

Other person under the tenant's control means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Premises means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Sexual assault is defined in section 16-VII.B.

Stalking is defined in section 16-VII.B.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

LACDA Policy

The LACDA will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The LACDA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that a LACDA may evict a family when the LACDA determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

LACDA Policy

The LACDA will terminate the lease when the LACDA determines that a household member is illegally using a drug or the LACDA determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than three incidents of any use of illegal drugs during the previous three months.

The LACDA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including LACDA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

LACDA Policy

The LACDA will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including LACDA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The LACDA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

LACDAs must establish standards that allow termination of tenancy if the LACDA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

LACDA Policy

The LACDA will terminate the lease if the LACDA determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than three incidents of any such abuse of alcohol during the previous twelve months.

The LACDA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

A record or records of arrest will not be used as the sole basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]

LACDAs must establish standards that allow termination of tenancy if the LACDA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

LACDA Policy

The LACDA will terminate the lease if the LACDA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The LACDA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking [24 CFR 5.2005(c)(1)].

LACDA Policy

The LACDA will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. three late payments within a 12-month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the LACDA for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes LACDAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as “other good cause.”

Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the LACDA may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the LACDA to only those examples. The Violence against Women Reauthorization Act of 2013 explicitly prohibits LACDAs from considering incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking as “other good cause” for terminating the assistance, tenancy, or occupancy rights of the victim or threatened victim of such violence [24 CFR 5.2005(c)(1)].

LACDA Policy

The LACDA will terminate the lease for the following reasons.

Fugitive Felon or Parole Violator. If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery of facts after admission to the program that would have made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with a reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the LACDA to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the LACDA that such a dwelling unit is available

Failure to permit access to the unit by the LACDA after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the LACDA of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 calendar days of the event.

Failure to abide by the provisions of the LACDA pet policy

If the family has breached the terms of a repayment agreement entered into with the LACDA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward LACDA personnel.

Abusive or violent behavior towards LACDA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate the lease, the LACDA will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the LACDA may, on a case-by-case basis, choose not to terminate the lease.

Family Absence from Unit [24 CFR 982.551(i)]

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the LACDA needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

LACDA Policy

The family must supply any information or certification requested by the LACDA to verify that the family is living in the unit, or relating to family absence from the unit, including any LACDA-requested information or certification on the purposes of family absences. The family must cooperate with the LACDA for this purpose.

If a family is absent from the public housing unit for more than 30 consecutive days, and the family does not adequately verify that they are living in the unit, the LACDA will terminate the lease for other good cause.

Abandonment of the unit. If the family appears to have vacated the unit without giving proper notice, the LACDA will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the LACDA will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families [24 CFR 960.261; FR Notice 7/26/18; Notice PIH 2019-11]

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 placed an income limitation on public housing tenancies. The over-income requirement states that after a family's adjusted income has exceeded 120 percent of area median income (AMI) (or a different limitation established by the secretary) for two consecutive years, the LACDA must either terminate the family's tenancy within six months of the determination, or charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds, as determined by regulations.

Notice PIH 2019-11 also requires that LACDAs publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit (VLI) by 2.4, as adjusted for family size.

LACDAs also have discretion, under 24 CFR 960.261, to adopt policies allowing termination of tenancy for families whose income exceeds the limit for program eligibility. Such policies would exempt families participating in the Family Self-Sufficiency (FSS) program or currently receiving the earned income disallowance.

LACDA Policy

At annual or interim reexamination, if a family's adjusted income exceeds the applicable over-income limit, the LACDA will document the family file and begin tracking the family's over-income status.

If one year after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, the LACDA will notify the family in writing that their income has exceeded the over-income limit for one year, and that if the family continues to be over-income for 12 consecutive months, the family will be subject to the LACDA's over-income policies.

If two years after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, the LACDA will send the family written notification stating that their assistance will be terminated six months from the date of the LACDA's notice. If the family continues to be over-income after the LACDA's 60-day notice, the LACDA will send the family a notice of lease termination 60 days prior to the effective date of the lease termination.

If, at any time, an over-income family experiences a decrease in income, the family may request an interim redetermination of rent in accordance with LACDA policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The LACDA will notify the family in writing that over-income policies no longer apply to them. If the family's income later exceeds the over-income limit again, the family is entitled to a new two-year grace period.

The LACDA will rely on the following over-income limits. These numbers will be updated within 60 days of HUD publishing new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.

Family Size	1	2	3	4	5	6	7	8
Over-Income Limit	\$94,680	\$108,120	\$121,680	\$135,120	\$146,040	\$156,840	\$167,640	\$178,440

For families larger than 8 persons, the over-income limit will be calculated by multiplying the applicable very-low income limit by 2.4.

13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the LACDA may consider exclusion of the culpable household member. Such an alternative can be used for any other reason where such a solution appears viable in accordance with LACDA policy.

Additionally, under the Violence against Women Reauthorization Act of 2013, the LACDA may bifurcate a lease in order to terminate the tenancy of an individual who is a tenant or lawful occupant of a unit and engages in criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking.

LACDA Policy

The LACDA will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the culpable household member has vacated the unit and may be required to certify that the culpable household member will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon LACDA request.

Repayment of Family Debts

LACDA Policy

If a family owes amounts to the LACDA, as a condition of continued occupancy, the LACDA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the LACDA of the amount owed. See Chapter 16 for policies on repayment agreements.

13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A LACDA that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the LACDA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

LACDA Policy

The LACDA will use the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the LACDA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

LACDA Policy

The LACDA will consider the following facts and circumstances before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

The seriousness of the offending action, especially with respect to how it would affect other residents' safety or property

The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, sexual assault, or stalking

The effects that the eviction will have on other family members who were not involved in the action or failure to act

The effect on the community of the termination, or of the LACDA's failure to terminate the tenancy

The effect of the LACDA's decision on the integrity of the public housing program

The demand for housing by eligible families who will adhere to lease responsibilities

The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history, and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, the LACDA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The LACDA may also consider:

Any statements made by witnesses or the participant not included in the police report

Whether criminal charges were filed

Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property.

In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family

Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]

HUD authorizes LACDAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

LACDA Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the LACDA will consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program.

For this purpose the LACDA will require the tenant to submit evidence of the household member's successful completion of a supervised drug or alcohol rehabilitation program.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the LACDA's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

LACDA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the LACDA will determine whether the behavior is related to the disability. If so, upon the family's request, the LACDA will determine whether alternative measures are appropriate as a reasonable accommodation. The LACDA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter 2 for a discussion of reasonable accommodation.

Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]

The LACDA's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13-III.F. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

This section addresses the protections against termination of tenancy that the Violence against Women Act of 2013 (VAWA) provides for public housing residents who are victims of domestic violence, dating violence, sexual assault, or stalking. For general VAWA requirements and LACDA policies pertaining to notification, documentation, and confidentiality, see section 16-VII of this ACOP, where definitions of key VAWA terms are also located.

VAWA Protections against Termination [24 CFR 5.2005(c)]

VAWA provides that no person may deny assistance, tenancy, or occupancy rights to public housing to a tenant on the basis or as a direct result of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or affiliated individual is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking [FR Notice 8/6/13].

VAWA further provides that incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed either as serious or repeated violations of the lease by the victim or threatened victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence [24 CFR 5.2005(c)(1), FR Notice 8/6/13].

Limits on VAWA Protections [24 CFR 5.2005(d) and (e), FR Notice 8/6/13]

While VAWA prohibits a LACDA from using domestic violence, dating violence, sexual assault, or stalking as the cause for a termination or eviction action against a public housing tenant who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit a LACDA's otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, sexual assault, or stalking providing that the LACDA does not subject the victim to a more demanding standard than the standard to which it holds other tenants.
- VAWA does not limit a LACDA's authority to terminate the tenancy of any public housing tenant if the LACDA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated.

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, the LACDA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a LACDA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat, including but not limited to transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat" [24 CFR 5.2005(d)(3)]. Additionally, HUD regulations state that restrictions "predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents" [24 CFR 5.2005(d)(3)].

LACDA Policy

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the LACDA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location, transferring the victim to another unit, or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the tenant wishes to contest the LACDA's determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the grievance hearing or in a court proceeding.

Documentation of Abuse [24 CFR 5.2007]

LACDA Policy

When an individual facing termination of tenancy for reasons related to domestic violence, dating violence, sexual assault, or stalking claims protection under VAWA, the LACDA will request in writing that the individual provide documentation supporting the claim in accordance with the policies in section 16-VII.D of this ACOP.

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

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide such protection for perpetrators. In fact, VAWA gives the LACDA the explicit authority to bifurcate a lease, or remove a household member from a lease, “in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing” [FR Notice 8/6/13]. Moreover, HUD regulations impose on the LACDA the obligation to consider lease bifurcation in any circumstances involving domestic violence, dating violence, or stalking [24 CFR 966.4(e)(9)].

Specific lease language affirming the LACDA’s authority to bifurcate a lease is not necessary, and the authority supersedes any local, state, or federal law to the contrary. However, if the LACDA chooses to exercise its authority to bifurcate a lease, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance. This means that the LACDA must follow the same rules when terminating or evicting an individual as it would when terminating or evicting an entire family [FR Notice 3/16/07]. However, perpetrators should be given no more than 30 days’ notice of termination in most cases [Notice PIH 2017-08].

LACDA Policy

The LACDA will bifurcate a family’s lease and terminate the tenancy of a family member if the LACDA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.

In making its decision, the LACDA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the LACDA by the victim in accordance with this section and section 16-VII.D. The LACDA will also consider the factors in section 13.III.E. Upon such consideration, the LACDA may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the LACDA does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If the person removed from the lease was the only tenant eligible to receive assistance, the LACDA must provide any remaining tenant a chance to establish eligibility for the unit. If the remaining tenant cannot do so, the LACDA must provide the tenant reasonable time to find new housing or to establish eligibility for another housing program covered by VAWA 2013.

PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

13-IV.A. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes LACDAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. LACDA policy determines when the LACDA will conduct such checks.

LACDA Policy

The LACDA may conduct criminal records checks when it has come to the attention of the LACDA, either from local law enforcement or by other means that an individual has engaged in the destruction of property, engaged in violent activity against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The LACDA may not pass along to the tenant the costs of a criminal records check.

13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the LACDA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the LACDA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the LACDA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

LACDA Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the LACDA will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 10 calendar days from the date of the LACDA notice, to dispute the accuracy and relevance of the information. If the family does not contact the LACDA to dispute the information within that 10 calendar day period, the LACDA will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine LACDA documents directly relevant to the termination or eviction. If the LACDA does not make the documents available for examination upon request by the tenant, the LACDA may not proceed with the eviction [24 CFR 966.4(m)].

LACDA Policy

If the LACDA offers remote hearings, the notice will also state that the resident may request or the LACDA has scheduled a remote hearing.

If the LACDA will require that the hearing be conducted remotely, at the time the notice is sent to the resident informing them of the right to request a hearing, the resident will be notified that the hearing will be conducted remotely. The resident will be informed of the processes involved in a remote hearing and that the LACDA will provide technical assistance, if needed, before the hearing.

When the LACDA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the LACDA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the LACDA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the LACDA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the LACDA, or for a drug-related criminal activity on or off the premises.

LACDA Policy

The LACDA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. The notice will be sent by first-class mail the same day.

All notices of lease termination will include a copy of the forms HUD-5382 and HUD-5380 to accompany the termination notice. Any tenant who claims that the cause for termination involves domestic violence, dating violence, sexual assault, or stalking of which the tenant or affiliated individual of the tenant is the victim will be given the opportunity to provide documentation in accordance with the policies in sections 13-III.F and 16-VII.D.

Timing of the Notice [24 CFR 966.4(l)(3)(i)]

The LACDA must give written notice of lease termination of:

- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

If the health or safety of other residents, LACDA employees, or persons residing in the immediate vicinity of the premises is threatened

If any member of the household has engaged in any drug-related criminal activity or violent criminal activity

If any member of the household has been convicted of a felony

- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

LACDA Policy

The LACDA will give written notice of 14 calendar days for nonpayment of rent, time period excludes Saturday, Sundays and judicial holidays (Code of Civil Procedure section 1161).

Three (3) calendar days for drug-related criminal activity, or criminal activity when the health or safety of other residents or LACDA employees is threatened;

For all other lease terminations, the LACDA will give 30 days written notice or, if state or local law allows less than 30 days, such shorter notice will be given time period excludes Saturday, Sundays and judicial holidays (Code of Civil Procedure section 1161).

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

Notice of Nonrenewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]

When the LACDA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

LACDA Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be

issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E. and will also serve as the notice of termination of tenancy.

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the LACDA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the LACDA's informal hearing procedures.

13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The LACDA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

LACDA Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the LACDA will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the LACDA will seek the assistance of the court to remove the family from the premises as per state and local law.

The LACDA may not proceed with an eviction action if the LACDA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the LACDA evicts an individual or family for criminal activity, including drug-related criminal activity, the LACDA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

LACDA Policy

A written record of every termination and/or eviction will be maintained by the LACDA at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

Chapter 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to LACDA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the LACDA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure. The grievance procedure is provided as Exhibit 14-1.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the LACDA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the LACDA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the LACDA grievance procedures [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

Use of Informal Hearing Process

While the LACDA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the LACDA could make the informal hearing process available to applicants who wish to dispute other LACDA actions that adversely affect them.

LACDA Policy

The LACDA will only offer informal hearings to applicants for the purpose of disputing denials of admission.

Notice of Denial [24 CFR 960.208(a)]

The LACDA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the LACDA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

LACDA Policy

The LACDA's notice of denial will include information about required or requested informal hearings.

When denying eligibility for admission, the LACDA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (form HUD-5382) in accordance with the Violence against Women Reauthorization Act of 2013, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of the denial of eligibility determination.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling an Informal Hearing

LACDA Policy

A request for an informal hearing must be made in writing and delivered to the LACDA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the LACDA's notification of denial of admission.

The LACDA will schedule and send written notice of the informal hearing within 10 business days of the family's request.

Remote Informal Hearings

LACDA Policy

All LACDA policies and processes for remote informal hearings will be conducted in accordance with due process requirements and compliance with HUD regulations.

The LACDA has the sole discretion to require that informal hearings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the LACDA will conduct an informal hearing remotely upon request of the applicant as a reasonable accommodation for a person with a disability, if an applicant does not have child care or transportation that would enable them to attend the informal hearing, or if the applicant believes an in-person informal hearing would create an undue health risk. The LACDA will consider other reasonable requests for a remote informal hearing on a case-by-case basis.

Conducting an Informal Hearing [PH Occ GB, p. 58]

LACDA Policy

The informal hearing will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the LACDA.

The person conducting the informal hearing will make a recommendation to the LACDA, but the LACDA is responsible for making the final decision as to whether admission should be granted or denied.

Conducting Remote Informal Hearings

The LACDA must ensure that the applicant has the right to hear and be heard.

LACDA Policy

The LACDA will conduct remote informal hearings via telephone conferencing call-in or via videoconferencing. If the informal hearing will be conducted via videoconferencing, the LACDA will ensure that all applicants, applicant representatives, LACDA representatives, and the person conducting the informal hearing can adequately access the platform (i.e., hear, be heard, see, and be seen).

If any applicant, applicant representative, LACDA representative, or person conducting the informal hearing is unable to effectively utilize the videoconferencing platform, the informal hearing will be conducted by telephone conferencing call-in. Witness testimony may be accepted via telephone call-in.

Whether the informal hearing is to be conducted via videoconferencing or telephone call-in, the LACDA will provide all parties login information and/or conferencing call-in information before the informal hearing.

Informal Hearing Decision [PH Occ GB, p. 58]

LACDA Policy

The LACDA will notify the applicant of the LACDA's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the LACDA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in LACDA policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The LACDA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the LACDA will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the LACDA will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The LACDA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the LACDA must consider such accommodations. The LACDA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS 14-

II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the LACDA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the LACDA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the LACDA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the LACDA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the LACDA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the LACDA with a copy of the written request for appeal and proof of mailing.

LACDA Policy

The LACDA will notify the family of the results of the USCIS secondary verification within 10 calendar days of receiving the results.

The family must provide the LACDA with a copy of the written request for appeal and proof of mailing within 14 days of receiving the results.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the LACDA, of its decision. When the USCIS notifies the LACDA of the decision, the LACDA must notify the family of its right to request an informal hearing.

LACDA Policy

The LACDA will send written notice to the family of its right to request an informal hearing within 10 calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the LACDA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the LACDA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The LACDA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the LACDA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

LACDA Policy

The opportunity to examine and to copy before the hearing, at the expense of the complainant (\$.10 per copy), all documents, records and regulations of the LACDA that are relevant to the hearing with at least a 24 hour notice prior to the hearing. Any document not so made available after request by the complainant may not be relied upon by the LACDA at the hearing.

The LACDA shall also have the opportunity to examine and to copy at the expense of the LACDA all documents, records and statements that the resident plans to submit during the hearing to refute the LACDA's inaction or proposed action. Any documents not so made available to the LACDA may not be relied upon at the hearing.

The right to a private hearing unless otherwise requested by the complainant.

The right to be represented by counsel or other person chosen as a representative at the family's expense.

The right to present evidence and arguments in support of the complaint, to controvert evidence presented by the LACDA, and to confront and cross-examine all witnesses upon whose testimony or information the LACDA relies, limited to the issues for which the complainant has received the opportunity for a formal hearing; and

The right to a decision based solely and exclusively upon the facts presented at the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the LACDA, and to confront and cross-examine all witnesses on whose testimony or information the LACDA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. The LACDA is obligated to provide a competent interpreter, free of charge, upon request. The family may also or instead provide its own interpreter, at the expense of the family.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The LACDA may, but is not required to, provide a transcript of the hearing.

LACDA Policy

The LACDA will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The LACDA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 10 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The LACDA must retain for a minimum of 5 years the following documents that may have been submitted to the LACDA by the family, or provided to the LACDA as part of the USCIS appeal or the LACDA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the LACDA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the LACDA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

LACDAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any LACDA action or failure to act involving the lease or LACDA policies which adversely affect their rights, duties, welfare, or status. The LACDA must not only meet the minimal procedural due process requirements provided under the regulations but must also meet any additional requirements imposed by local, state or federal law.

The LACDA grievance procedure must be included in, or incorporated by reference in, the lease.

LACDA Policy

The LACDA grievance procedure will be incorporated by reference in the tenant lease.

The LACDA must provide at least 30 days' notice to tenants and resident organizations setting forth proposed changes in the LACDA grievance procedure and provide an opportunity to present written comments. Comments submitted must be considered by the LACDA before adoption of any changes to the grievance procedure by the LACDA.

LACDA Policy

Residents and resident organizations will have 30 calendar days from the date they are notified by the LACDA of any proposed changes in the LACDA grievance procedure, to submit written comments to the LACDA.

The LACDA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to LACDA action or failure to act in accordance with the individual tenant’s lease or LACDA regulations which adversely affect the individual tenant’s rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the LACDA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Expedited Grievance** – a procedure established by the LACDA for any grievance or termination that involves:
 - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment or the LACDA’s public housing premises by other residents or employees of the LACDA; or
 - Any drug-related criminal activity on or off the premises
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - Right of the tenant to be represented by counsel
 - Opportunity for the tenant to refute the evidence presented by the LACDA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
 - A decision on the merits
- **Hearing Officer** – an impartial person or selected by the LACDA, other than the person who made or approved the decision under review, or a subordinate of that person. The individual or individuals do not need legal training.
- **Tenant** – the adult person (or persons) (other than a live-in aide)
 - Who resides in the unit, and who executed the lease with the LACDA as lessee of the dwelling unit, or, if no such person now resides in the unit,
 - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Grievances could potentially address most aspects of a LACDA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the LACDA. It is not applicable to disputes between tenants not involving the LACDA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the LACDA.

If HUD has issued a due process determination, a LACDA may exclude from the LACDA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the LACDA;
- Any violent or drug-related criminal activity on or off such premises; or
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, LACDAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, with the following exception: LACDAs may use expedited grievance procedures for the excluded categories listed above. These expedited grievance procedures are described in Section 14-III.E. below.

If HUD has issued a due process determination, the LACDA may evict through the state/local judicial eviction procedures. In this case, the LACDA is not required to provide the opportunity for a hearing under the LACDA's grievance procedure as described above.

LACDA Policy

The LACDA is located in a HUD-declared due process state. Therefore, the LACDA will not offer grievance hearings for lease terminations involving criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the LACDA, for violent or drug-related criminal activity on or off the premises, or for any criminal activity that resulted in felony conviction of a household member.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the LACDA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

LACDA Policy

The LACDA will accept requests for an informal settlement of a grievance either orally or in writing (including emailed requests), to the LACDA office within 10 calendar days of the grievance occurrence. Within 10 calendar days of receipt of the request the LACDA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

The informal settlement may be conducted remotely as required by the LACDA or may be conducted remotely upon consideration of the request of the tenant. See 14-III.G for description of the LACDA's definitions of *remotely*.

If a tenant fails to appear within 30 minutes of the scheduled time, the LACDA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the LACDA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

LACDA Policy

The LACDA will prepare a summary of the informal settlement within a reasonable time; one copy to be given to the tenant and one copy to be retained in the LACDA's tenant file.

For LACDAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

14-III.E. PROCEDURES TO OBTAIN A HEARING

Requests for Hearing and Failure to Request

LACDA Policy

The resident must submit a written request (including emailed requests) for a grievance hearing to the LACDA within ten calendar days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the LACDA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the LACDA's action in disposing of the complaint in an appropriate judicial proceeding.

Scheduling of Hearings [24 CFR 966.56(a)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer promptly for a time and place reasonably convenient to both the complainant and the LACDA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate LACDA official.

LACDA Policy

The head of household must attend the formal hearing.

If the complainant fails to appear within 30 minutes of the scheduled time, the hearing officer may determine that the complainant has waived their grievance right.

The LACDA will provide reasonable accommodation for persons with disabilities to participate in the hearing.

The LACDA may wish to permit the tenant to request to reschedule a hearing for good cause.

LACDA Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the LACDA may request documentation of the "good cause" prior to rescheduling the hearing.

Expedited Grievance Procedure [24 CFR 966.52(a)]

The LACDA may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the LACDA;
- Any drug-related criminal activity on or near such premises; or
- Any criminal activity that resulted in felony conviction of a household member.

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The LACDA may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

LACDA Policy

The LACDA will not offer expedited grievance procedures.

14-III.F. SELECTION OF HEARING OFFICER [24 CFR 966.53(e)]

The grievance hearing must be conducted by an impartial person or persons appointed by the LACDA, other than the person who made or approved the LACDA action under review, or a subordinate of such person. The LACDA must describe their policies for selection of a hearing officer in their lease.

LACDA Policy

LACDA grievance hearings will be conducted by a single hearing officer and not a panel.

The LACDA will appoint a staff member who was not involved in the decision under appeal. If a designated staff member (such as the program manager) was involved in the decision, or is a subordinate of such person, an alternate hearing officer will be selected.

The LACDA may select designated staff members who were not involved in the decision under appeal in certain circumstances, such as appeals involving discrimination claims or denials of requests for reasonable accommodations.

LACDAs must describe their policies for selection of a hearing officer in their lease forms. Changes to the public housing lease are subject to a 30-day comment period [24 CFR 966.4].

14-III.G. REMOTE HEARINGS

The LACDA has the option to conduct hearings remotely. The LACDA's essential responsibility is to ensure hearings meet the requirements of due process and comply with HUD regulations. Therefore, all LACDA policies and processes for remote hearings will be conducted in accordance with due process requirements and in compliance with HUD regulations.

LACDA Policy

The LACDA has the sole discretion to require that hearings be conducted remotely or in person, in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster.

In addition, the LACDA will conduct a hearing remotely upon request as a reasonable accommodation for a person with a disability, if a tenant does not have child care or transportation that would enable them to attend the hearing, or if the tenant believes an in-person hearing would create an undue health risk. The LACDA will consider other reasonable requests for a remote hearing on a case-by-case basis.

Discovery of Documents Before the Remote Hearing

LACDA Policy

If the hearing will be conducted remotely, the LACDA will compile a hearing packet, consisting of all documents the LACDA intends to produce at the hearing. The LACDA will mail and/or post copies of the hearing packet to the tenant, the tenant's representatives, if any, and the hearing officer at least three days before the scheduled remote hearing. The original hearing packet will be in the possession of the LACDA representative and retained by the LACDA.

If the hearing is to be conducted remotely, the LACDA will require the resident to provide any documents directly relevant to the hearing before the scheduled hearing. The LACDA will scan and provide copies of these documents to the hearing officer and the LACDA representative the same day they are received.

Conducting Hearings Remotely

LACDA Policy

In conducting any hearing remotely, the LACDA shall ensure due process and that all parties are able to have full access to the hearing.

The LACDA will conduct remote hearings via telephone conferencing call-in or via videoconferencing. If the hearing will be conducted via videoconferencing, the LACDA will ensure that all tenants, tenant's representatives, advocates, witnesses, LACDA representatives, and the hearing officer can adequately access the platform (i.e., hear, be heard, see, and be seen). Witnesses may testify by telephone call-in.

If any tenant, tenant representative, advocate, witness, LACDA representative, or the hearing officer is unable to effectively utilize the videoconferencing platform, the hearing will be conducted by telephone conferencing call-in.

Whether the hearing is to be conducted via videoconferencing or telephone call-in, the LACDA will provide all parties login information and/or telephone call-in information before the hearing.

14-III.H. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any LACDA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the LACDA does not make the document available for examination upon request by the complainant, the LACDA may not rely on such document at the grievance hearing.

LACDA Policy

The opportunity to examine and to copy before the hearing, at the expense of the complainant (\$.10 per copy), all documents, records and regulations of the LACDA that are relevant to the hearing with at least a 24 hour notice prior to the hearing. Any document not so made available after request by the complainant may not be relied upon by the LACDA at the hearing.

- The right to be represented by counsel or other person chosen to represent the tenant, and to have such person make statements on the tenant's behalf.

LACDA Policy

Hearings may be attended by the following applicable persons:

The LACDA representatives and any witnesses for the LACDA

The tenant and any witnesses for the tenant

The tenant's counsel or other representative

Any other person approved by the LACDA as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the LACDA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the LACDA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Failure to Appear [24 CFR 966.56(c)]

If the complainant or the LACDA fails to appear at a scheduled hearing, the hearing officer may make a determination to postpone the hearing for no more than five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the LACDA must be notified of the determination by the hearing officer: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the LACDA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

LACDA Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the LACDA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

“Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

General Procedures [24 CFR 966.56(d), (e)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the LACDA must sustain the burden of justifying the LACDA action or failure to act against which the complaint is directed [24 CFR 966.56(d)].

The hearing is conducted informally by the hearing officer. The LACDA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses.

LACDA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the LACDA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the LACDA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine LACDA documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the LACDA to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The complainant or the LACDA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)].

LACDA Policy

If the complainant would like the LACDA to record the proceedings by audiotape, the request must be made to the LACDA by 12:00 p.m. on the business day prior to the hearing.

The LACDA will consider that an audio tape recording of the proceedings is a transcript.

Accommodations of Persons with Disabilities [24 CFR 966.56(f)]

The LACDA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the LACDA's responsibilities pertaining to reasonable accommodation.

Limited English Proficiency (24 CFR 966.56(g))

The LACDA must comply with HUD's LEP Final Rule in providing language services throughout the grievance process.

14-III.I. DECISION OF THE HEARING OFFICER [24 CFR 966.57]

The hearing officer must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the complainant and the LACDA. The LACDA must retain a copy of the decision in the tenant's folder. A log of all hearing officer decisions must also be maintained by the LACDA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer [24 CFR 966.57(a)].

LACDA Policy

In rendering a decision, the hearing officer will consider the following matters:

LACDA Notice to the Family: The hearing officer will determine if the reasons for the LACDA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with LACDA policy.

LACDA Evidence to Support the LACDA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the LACDA's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and LACDA policies. If the grounds for termination are not specified in the regulations or in compliance with LACDA policies, then the decision of the LACDA will be overturned.

The hearing officer will issue a written decision to the family and the LACDA no later than 30 calendar days after the hearing. The report will contain the following information:

Hearing information:

Name of the complainant

Date, time and place of the hearing

Name of the hearing officer

Name of the LACDA representatives

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the LACDA's decision.

Order: The hearing report will include a statement of whether the LACDA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the LACDA to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the LACDA to restore the family's status.

Procedures for Further Hearing

LACDA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the LACDA will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer is binding on the LACDA which must take the action, or refrain from taking the action cited in the decision unless the LACDA Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern LACDA action or failure to act in accordance with or involving the complainant's lease on LACDA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer is contrary to federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the LACDA

LACDA Policy

When the LACDA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the LACDA Board of Commissioners within 10 calendar days of the date of the hearing officer's decision. The written decision will be sent to the address provided at the hearing. The LACDA shall maintain a log of hearing officer decisions and make it available upon request.

The decision of the hearing officer shall be binding on the LACDA which shall take all actions necessary to carry out the decision, unless the Board of Commissioners intervene in the matter. The Board of Commissioners may overturn a hearing officer's decision in either of the following two situations:

The grievance does not concern the LACDA action or failure to act in accordance with or involving the complainant's lease or LACDA regulations that adversely affect the complainant's rights, duties, welfare or status.

The decision of the hearing officer is contrary to applicable Federal, State, or local law, HUD regulations or requirements of the Annual Contributions Contract between HUD and the LACDA.

A decision by the hearing officer or Board of Commissioners in favor of the LACDA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights, nor effect in any manner whatever, any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

Any grievance in which the Resident claims a right under VAWA, a hearing officer will not issue a decision and instead will postpone the hearing until such time as a decision on the VAWA request has been made in compliance with all VAWA references made in this ACOP.

EXHIBIT 14-1: GRIEVANCE PROCEDURE

I. Definitions applicable to the grievance procedure [24 CFR 966.53]

- A. Grievance: Any dispute a tenant may have with respect to LACDA action or failure to act in accordance with the individual tenant's lease or LACDA regulations that adversely affects the individual tenant's rights, duties, welfare, or status.
- B. Complainant: Any tenant (as defined below) whose grievance is presented to the LACDA or at the project management office in accordance with the requirements presented in this procedure.
- C. Elements of due process: An eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - i. Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - ii. Right of the tenant to be represented by counsel
 - iii. Opportunity for the tenant to refute the evidence presented by the LACDA, including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense that the tenant may have
 - iv. A decision on the merits of the case
- D. Hearing officer: An impartial person or persons selected by the LACDA other than the person who made or approved the decision under review, or a subordinate of that person. Such individuals do not need legal training.
- E. Tenant: The adult person (or persons other than a live-in aide) who resides in the unit and who executed the lease with the LACDA as lessee of the dwelling unit, or if no such person now resides in the unit, who resides in the unit and who is the remaining head of the household of the tenant family residing in the dwelling unit.
- F. Resident organization: An organization of residents, which also may include a resident management corporation.

II. Applicability of this grievance procedure [24 CFR 966.51]

In accordance with the applicable federal regulations (24 CFR 966.50), this grievance procedure is applicable to all individual grievances (as defined in Section I above) between the tenant and the LACDA with the following exception of disputes between tenants not involving the LACDA or class grievances. The grievance procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of tenants and the LACDA's Board of Commissioners [24 CFR 966.51(b)].

This grievance procedure is incorporated by reference in all tenant dwelling leases and will be furnished to each tenant and all resident organizations [24 CFR 966.52 (b) and (d)].

Any changes proposed in this grievance procedure must provide for at least 30 days' notice to tenants and resident organizations, setting forth the proposed changes and providing an opportunity to present written comments. Comments will be considered by the LACDA before any revisions are made to the grievance procedure [24 CFR 966.52(c)].

III. Informal settlement of a grievance [24 CFR 966.54]

Any grievance must be personally presented, either orally or in writing (including email), to the LACDA's central office or the management office of the development in which the complainant resides **within 10 days after the grievable event.**

Grievances related to complaints about operations matters that are received by the LACDA's central office will be referred to the person responsible for the management of the development in which the complainant resides. Grievances involving complaints related to discrimination, harassment, or disability rights will be referred to the Civil Rights Administrator or Director of Operations.

As soon as the grievance is received, it will be reviewed by the management office of the development or the Civil Rights Administrator (if applicable) to be certain that neither of the exclusions in paragraphs II.A or II.B above applies to the grievance. Should one of the exclusions apply, the complainant will be notified in writing that the matter raised is not subject to the LACDA's grievance procedure with the reason specified.

If neither of the exclusions cited above apply, the complainant will be contacted to arrange a mutually convenient time **within 10 business days** to meet so the grievance may be discussed informally and settled without a hearing. At the informal settlement, the complainant will present the grievance and the person in charge of the management office or the Civil Rights Administrator will attempt to settle the grievance to the satisfaction of both parties.

Within a reasonable time frame following the informal discussion, the LACDA will prepare and either hand deliver, mail, or email to the tenant a summary of the discussion that must specify the names of the participants, the dates of meeting, the nature of the proposed disposition of the complaint, and the specific reasons therefore, and will specify the procedures by which a formal hearing under this procedure may be obtained if the

complainant is not satisfied. A copy of this summary will also be placed in the tenant's file.

IV. Formal grievance hearing

If the complainant is not satisfied with the settlement arrived at in the informal settlement, the complainant must submit a written request for a hearing to the management office of the development where the tenant resides **no later than five business days after the summary of the informal hearing is received.**

The written request must specify:

- The reasons for the grievance; and
- The action of relief sought from the LACDA

Within 30 calendar days of receiving the written request for a hearing, the hearing officer will schedule and sent written notice of hearing to both the complainant and the LACDA.

V. Selecting the hearing officer

A grievance hearing will be conducted by a single impartial person appointed by the LACDA as described below:

- A. The hearing officer will be appointed directly by the executive director.
- B. The hearing officer will be a staff member who did not make or approve the decision under review and who is not a subordinate of such persons. If the designated staff member (such as the program manager) was involved in the decision or is a subordinate of such person, an alternate hearing officer will be selected.
- C. The LACDA may select designated staff members who were not involved in the decision under review in certain circumstances, such as those involving discrimination claims or denials of requests for reasonable accommodations.
- D. The LACDA's method for selecting a hearing officer will be inserted into the lease.

VI. Scheduling hearings [24 CFR 966.56(a)]

When a complainant submits a timely request for a grievance hearing, the LACDA will immediately appoint an impartial hearing office to schedule the hearing within the following 10 business days.

Once the hearing officer has scheduled the hearing, the hearing officer will send written notice of the hearing to both the complainant and the LACDA. Notice to the complainant will be in writing, either personally delivered to the complainant, or sent by mail or email, return receipt requested.

The written notice will specify the time, place, and procedures governing the hearing.

The tenant may request to reschedule a hearing on a one-time basis. Should the complainant need to reschedule a second time, he or she may do so for good cause, or if needed as a reasonable accommodation for a person with disabilities. *Good cause* is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date.

VII. Procedures governing the hearing [24 CFR 966.56]

The hearing will be held before a hearing officer as described above in Section V. The complainant will be afforded a fair hearing, which will include:

- A. The opportunity to examine before the hearing any LACDA documents, including records and regulations, that are directly relevant to the hearing.

The tenant is allowed to copy any such document at the tenant's expense. If the LACDA does not make the document available for examination upon request by the complainant, the LACDA may not rely on such document at the grievance hearing.

- B. The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.
- C. The right to a private hearing unless the complainant requests a public hearing.
- D. The right to present evidence and arguments in support of the tenant's complaint, to refute evidence relied on by the LACDA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the LACDA or project management relies.
- E. A decision based solely and exclusively upon the fact presented at the hearing [24 CFR 966.56(b)].

The hearing is conducted informally by the hearing officer. The LACDA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses.

The complainant or the LACDA may arrange in advance for a transcript of the hearing at the expense of the party making the arrangement. Any interested party may purchase a copy of the transcript [24 CFR 966.56(e)].

The LACDA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant that is required under this procedure must be in an accessible format [24 CFR 966.56(f)].

The LACDA must comply with HUD's requirements regarding limited English proficiency as specified in "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons," issued January 22, 2007, and available at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq.

VIII. Remote Hearings

The LACDA has the authority to require that hearings be conducted remotely in certain situations.

If the LACDA will require the hearing to be conducted remotely, the LACDA will send a separate document describing the process and procedures.

IX. Failure to appear at the hearing

If the complainant or LACDA fails to appear at the hearing, the hearing officer may make a determination to postpone the hearing or make a determination that the complainant has waived his or her right to a hearing.

Both the complainant and the LACDA must be notified of the determination by the hearing officer. A determination that the complainant has waived his or her right to a hearing will not constitute a waiver of any right the complainant may have to contest the LACDA's disposition of the grievance in an appropriate judicial setting [24 CFR 966.56(c)].

X. Decision of the hearing officer [24 CFR 966.57]

The hearing officer will prepare a written decision together with the reasons for the decision **within 30 calendar days** after the hearing. A copy of the decision will be sent to the complainant and the LACDA.

The LACDA will retain a copy of the decision in the tenant's file.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the family misses a deadline ordered by the hearing officer, the hearing officer will make a decision based on the evidence presented.

The decision of the hearing officer will be binding on the LACDA unless the LACDA's Board of Commissioners determines within a reasonable time and notifies the complainant of its determination that:

- A. The grievance does not concern LACDA action or failure to act in accordance with or involving the complainant's lease or LACDA regulations, which adversely affect the complainant's rights, duties, welfare, or status; or
- B. The decision of the hearing officer is contrary to applicable federal, state, or local law, HUD regulations, or requirements of the annual contributions contract (ACC) between HUD and the LACDA.

When the LACDA considers the decision of the hearing officer to be invalid due to either of the reasons stated above, it will present the matter to the LACDA Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer or Board of Commissioners in favor of the LACDA or which denies the relief requested by the complainant in whole or in part will not constitute a waiver of nor affect in any way the rights of the complainant to a trial or judicial review in any court proceedings, which may be brought in the matter later [24 CFR 966.57].

Chapter 15

PROGRAM INTEGRITY

INTRODUCTION

The LACDA is committed to ensuring that funds made available to the LACDA are spent in accordance with HUD requirements.

This chapter covers HUD and LACDA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents LACDA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the LACDA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide LACDAs with a powerful tool for preventing errors and program abuse. LACDAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. LACDAs are further required to:

- Provide applicants and residents with form HUD-52675, “Debts Owed to LACDAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

LACDA Policy

The LACDA anticipates that the vast majority of families and LACDA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the LACDA’s program is administered effectively and according to the highest ethical and legal standards, the LACDA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The LACDA will provide each applicant and resident with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The LACDA will provide each applicant and resident with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12. In addition, the LACDA will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The LACDA will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The LACDA will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign documents to confirm that all rules and pertinent regulations were explained to them.

The LACDA will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

LACDA staff will be required to review and explain the contents of all HUD- and LACDA-required forms prior to requesting family member signatures.

The LACDA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key LACDA forms and form letters that request information from a family member.

The LACDA will provide each LACDA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

At every regular reexamination the LACDA staff will explain any changes in HUD regulations or LACDA policy that affect residents.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the LACDA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

LACDA Policy

The LACDA will employ a variety of methods to detect errors and program abuse, including:

The LACDA routinely will use EIV and other non-HUD sources of up-front income verification. This may include the Work Number and any other private or public databases available to the LACDA.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The LACDA will compare family-reported income and expenditures to detect possible unreported income.

The LACDA employs a Quality Control Analyst to review family records for accuracy and to investigate potential program abuse or fraud.

Independent Audits and HUD Monitoring

Notice PIH 2015-16 requires all LACDAs that expend \$750,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of LACDA activities and notifies the LACDA of errors and potential cases of program abuse.

LACDA Policy

The LACDA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the LACDA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

LACDA Policy

The LACDA will encourage staff, residents, and the public to report possible program abuse.

15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the LACDA Will Investigate

LACDA Policy

The LACDA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the LACDA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The LACDA will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The LACDA may investigate possible instances of error or abuse using all available LACDA and public records. If necessary, the LACDA will require families to sign consent forms for the release of additional information.

Analysis and Findings

LACDA Policy

The LACDA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the LACDA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the LACDA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the LACDA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

LACDA Policy

In the case of family-caused errors or program abuse, the LACDA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

LACDA Policy

The LACDA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the LACDA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the LACDA must promptly correct the tenant rent and any utility reimbursement prospectively.

LACDA Policy

Increases in the tenant rent will be implemented on the first of the month following a written 30 day notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the LACDA or the LACDA is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the LACDA to use incorrect information provided by a third party.

Family Reimbursement to LACDA

LACDA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The LACDA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the LACDA will terminate the family's lease in accordance with the policies in Chapter 13.

LACDA Reimbursement to Family

LACDA Policy

The LACDA will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the LACDA [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the LACDA [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(1)(2)(iii)(C)].

LACDA Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the LACDA Board of Commissioners, employees, contractors, or other LACDA representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the LACDA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The LACDA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the LACDA may, at its discretion, impose any of the following remedies.

- The LACDA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to LACDA).
- The LACDA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The LACDA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The LACDA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15-IL.C. LACDA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of LACDA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a LACDA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the LACDA personnel policy.

LACDA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

Repayment to the LACDA

The family is not required to repay an underpayment of rent if the error or program abuse is caused by LACDA staff.

LACDA Reimbursement to Family

LACDA Policy

The LACDA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

Prohibited Activities

LACDA Policy

Any of the following will be considered evidence of program abuse by LACDA staff:

Failing to comply with any public housing program requirements for personal gain

Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the LACDA

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of LACDA activities, policies, or practices

Misappropriating or misusing public housing funds

Destroying, concealing, removing, or inappropriately using any records related to the public housing program

Committing any other corrupt or criminal act in connection with any federal housing program

Committing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment

Allowing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment, where the LACDA knew or should have known such harassment was occurring

Retaliating against any applicant, resident, or staff reporting sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment

15-II.D. CRIMINAL PROSECUTION

LACDA Policy

When the LACDA determines that program abuse by a family or LACDA staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the LACDA will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

LACDAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the LACDA recovers [Notice PIH 2007-27 (HA)].

If the LACDA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the LACDA's grievance process.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of LACDA-furnished utilities.

Part II: Establishing Flat Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families and describes the circumstances under which the LACDA will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (LACDAS). This part describes the LACDAS indicators, how LACDAs are scored under LACDAS, and how those scores affect a LACDA.

Part V: Record Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the LACDA will follow.

Part VI: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the LACDA's reporting responsibilities related to children with elevated blood lead levels that are living in public housing.

Part VII: Violence against Women Act (VAWA): Notification, Documentation, and Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, and stalking; and maintaining the confidentiality of information obtained from victims.

PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

16-I.A. OVERVIEW

LACDAs must establish allowances for LACDA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

LACDAs must also establish surcharges for excess consumption of LACDA-furnished utilities [24 CFR 965.506].

The LACDA must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

16-I.B. UTILITY ALLOWANCES

The LACDA must establish separate allowances for each utility and for each category of dwelling units the LACDA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a LACDA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the LACDA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the LACDA about establishing utility allowances.

Air-Conditioning

“If a LACDA installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident option, residents are not to be charged, and these systems should be avoided whenever possible.” [24 CFR 965.505(e)]

LACDA Policy

The LACDA has installed air-conditioning in some sites.

Utility Allowance Revisions [24 CFR 965.507]

The LACDA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary, in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The LACDA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

LACDA Policy

Between annual reviews of utility allowances, the LACDA will only revise its utility allowances due to a rate change, when required to by the regulation.

16-I.C. SURCHARGES FOR LACDA-FURNISHED UTILITIES [24 CFR 965.506]

For dwelling units subject to allowances for LACDA-furnished utilities where check meters have been installed, the LACDA must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption, and must be based on the LACDA's average utility rate. The basis for calculating the surcharges must be described in the LACDA's schedule of allowances. Changes in the amount of surcharges based directly on changes in the LACDA's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by LACDA-furnished utilities where check meters have not been installed, the LACDA must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of LACDA-furnished equipment. The surcharge schedule must state the resident-owned equipment (or functions of LACDA-furnished equipment) for which surcharges will be made and the amounts of such charges. Surcharges must be based on the cost to the LACDA of the utility consumption estimated to be attributable to reasonable usage of such equipment.

LACDA Policy

The LACDA does have LACDA-furnished utilities.

16-I.D. NOTICE REQUIREMENTS [965.502]

The LACDA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- Be provided at least 60 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.
- Describe the basis for determination of the allowances, scheduled surcharges, or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the LACDA's documentation on which allowances and surcharges are based is available for inspection.
- Provide all residents an opportunity to submit written comments during a period expiring not less than 30 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.

16-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]

On request from a family that includes a disabled or elderly person, the LACDA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

PART II: ESTABLISHING FLAT RENTS

16-II.A. OVERVIEW

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Flat rents are also used to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

This part discusses how the LACDA establishes and updates flat rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and proration of rent for a mixed family are discussed in Chapter 6.

16-II.B. FLAT RENTS [24 CFR 960.253(b) and Notice PIH 2017-23]

Establishing Flat Rents

The 2015 Appropriations Act requires that flat rents must be set at no less than 80 percent of the applicable fair market rent (FMR). Alternatively, the LACDA may set flat rents at no less than 80 percent of the applicable small area FMR(SAFMR) for metropolitan areas, or 80 percent of the applicable unadjusted rents for nonmetropolitan areas.

For areas where HUD has not determined a SAFMR or an unadjusted rent, LACDAs must set flat rents at no less than 80 percent of the FMR or apply for an exception flat rent.

The 2015 Appropriations Act permits LACDAs to request an exception flat rent that is lower than either 80 percent of the FMR or SAFMR/unadjusted rent if the LACDA can demonstrate that these FMRs do not reflect the market value of a particular property or unit.

In order to demonstrate the need for an exception flat rent, LACDAs are required to submit a market analysis methodology that demonstrates the value of the unit. The LACDA must use HUD's rent reasonableness methodology to determine flat rents. In determining flat rents, LACDAs must consider the following:

- Location
- Quality
- Unit size
- Unit type
- Age of the unit
- Amenities at the property and in immediate neighborhood
- Housing services provided
- Maintenance provided by the LACDA
- Utilities provided by the LACDA and/or landlord for (comparable units in the market study)

The LACDA must provide a corresponding key explaining the calculations used for determining the valuation for each factor. HUD published a Flat Rent Market Analysis tool on August 22, 2018, which includes a rent adjustment guide, a market rent comparison guide, and a rent adjustment worksheet to aide LACDAs in requesting exception flat rents.

LACDAs must receive written HUD approval before implementing exception flat rents. LACDAs with a previously approved flat rent exception request may submit a written request to extend the approved flat rents for up to two additional years, provided local market conditions remain unchanged. Detailed information on how to request exception flat rents can be found in Notice PIH 2017-23.

LACDAs are now required to apply a utility allowance to flat rents as necessary. Flat rents set at 80 percent of the FMR must be reduced by the amount of the unit's utility allowance, if any.

Review of Flat Rents

No later than 90 days after the effective date of the new annual FMRs/SAFMRs/unadjusted rent, LACDAs must implement new flat rents as necessary based changes to the FMR/SAFMR/unadjusted rent or request an exception.

If the FMR falls from year to year, the LACDA may, but is not required to, lower the flat rent to 80 percent of the current FMR/SAFMR/unadjusted rent.

LACDA Policy

If the FMR/SAFMR/unadjusted rent is lower than the previous year, the LACDA will reduce flat rents to 80 percent of the current FMR/SAFMR.

Posting of Flat Rents

LACDA Policy

The LACDA will publicly post the schedule of flat rents in a conspicuous manner in the applicable LACDA or project office.

Documentation of Flat Rents [24 CFR 960.253(b)(5)]

The LACDA must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the LACDA in accordance with this method.

PART III: FAMILY DEBTS TO THE LACDA

16-III.A. OVERVIEW

This part describes the LACDA's policies for recovery of monies owed to the LACDA by families.

LACDA Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the LACDA holds the family liable to return any underpayments to the LACDA.

The LACDA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When a family refuses to repay monies owed to the LACDA, the LACDA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit

16-III.B. REPAYMENT POLICY

Family Debts to the LACDA

LACDA Policy

Any amount owed to the LACDA by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the LACDA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the LACDA will terminate the family's tenancy in accordance with the policies in Chapter 13. The LACDA will also pursue other modes of collection.

General Repayment Agreement Guidelines

Down Payment Requirement

LACDA Policy

Before executing a repayment agreement with a family, the LACDA will generally require a down payment to be determined by the LACDA and the financial circumstances of the family.

Payment Thresholds

Notice PIH 2017-12 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income, which is considered "affordable." Moreover, Notice PIH 2017-12 acknowledges that LACDAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

LACDA Policy

The remaining balance will usually be paid in equal payments over a period of time not to exceed 12 months for amounts under \$2,400 or 24 months for any amount in excess of \$2,400. The terms of the agreement may be renegotiated if there is a change in financial circumstances in accordance or a hardship has occurred.

Execution of the Agreement

LACDA Policy

Any repayment agreement between the LACDA and a family must be signed and dated by the LACDA and by the head of household and spouse/cohead (if applicable).

Due Dates

LACDA Policy

All payments are due by the close of business on the 15th day of the month, unless otherwise negotiated between the LACDA and the family. If the due date does not fall on a business day, the due date is the close of business on the first business day after the due date.

Late or Missed Payments

LACDA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the LACDA, the LACDA may:

Require the family to pay the entire amount that has not been paid timely plus the current month's payment in order to avoid termination of tenancy

Require the family to pay the balance in full in order to avoid termination of tenancy

Pursue civil collection of the balance due

Terminate the tenancy

No Offer of Repayment Agreement

LACDA Policy

The LACDA generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family, or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

Repayment Agreements Involving Improper Payments

Notice PIH 2017-12 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the public housing lease that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the LACDA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the LACDA the monthly payment amount specified in the agreement but must also pay to the LACDA the monthly tenant rent
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (LACDAS)

16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (LACDAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among LACDAs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

16-IV.B. LACDAS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]

The table below lists each of the LACDAS indicators, the points possible under each indicator, and a brief description of each indicator. A LACDA's performance is based on a combination of all four indicators.

Indicator 1: Physical condition of the LACDA's projects

Maximum Score: 40

- The objective of this indicator is to determine the level to which a LACDA is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair.
- To determine the physical condition of a LACDA's projects, inspections are performed of the following five major areas of each public housing project: site, building exterior, building systems, dwelling units, and common areas. The inspections are performed by an independent inspector arranged by HUD, and include a statistically valid sample of the units in each project in the LACDA's public housing portfolio.

Indicator 2: Financial condition of the LACDA's projects

Maximum Score: 25

- The objective of this indicator is to measure the financial condition of the LACDA's public housing projects for the purpose of evaluating whether the LACDA has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary, and in good repair.
- A LACDA's financial condition is determined by measuring each public housing project's performance in each of the following subindicators: quick ratio, months expendable net assets ratio, and debt service coverage ratio.

Indicator 3: Management operations of the LACDA's projects**Maximum Score: 25**

- The objective of this indicator is to measure certain key management operations and responsibilities of a LACDA's projects for the purpose of assessing the LACDA's management operations capabilities.
- Each project's management operations are assessed based on the following sub-indicators: occupancy, tenant accounts receivable, and accounts payable.
- An on-site management review may be conducted as a diagnostic and feedback tool for problem performance areas, and for compliance. Management reviews are not scored.

Indicator 4: Capital Fund**Maximum Score: 10**

- The objective of this indicator is to measure how long it takes the LACDA to obligate capital funds and to occupy units.
- The LACDA's score for this indicator is measured at the LACDA level and is based on the following subindicators: timeliness of fund obligation and occupancy rate.

16-IV.C. LACDAS SCORING [24 CFR 902 Subpart F]

HUD's Real Estate Assessment Center (REAC) issues overall LACDAS scores, which are based on the scores of the four LACDAS indicators, and the subindicators under each indicator. The LACDA's indicator scores are based on a weighted average of the LACDA's public housing projects' scores. LACDAS scores translate into a designation for each LACDA as high performing, standard, substandard, or troubled.

A high performer is a LACDA that achieves an overall LACDAS score of 90 or greater, and achieves a score of at least 60 percent of the points available under the physical, financial, and management indicators and at least 50 percent of the points available under the capital fund indicator.

A standard performer is a LACDA that has an overall LACDAS score between 60 and 89, and achieves a score of at least 60 percent of the points available under the physical, financial, and management indicators and at least 50 percent of the points available under the capital fund indicator.

A substandard performer is a LACDA that has an overall LACDAS score of at least 60 percent and achieves a score of less than 60 percent under one or more of the physical, financial, or management indicators.

A troubled performer is a LACDA that achieves an overall LACDAS score of less than 60, or achieves less than 50 percent of the total points available under the capital fund indicator.

These designations can affect a LACDA in several ways:

- High-performing LACDAs are eligible for incentives including relief from specific HUD requirements and bonus points in funding competitions [24 CFR 902.71].
- LACDAs that are standard performers may be required to submit and operate under a corrective action plan to eliminate deficiencies in the LACDA's performance [24 CFR 902.73(a)(1)].
- LACDAs that are substandard performers will be required to submit and operate under a corrective action plan to eliminate deficiencies in the LACDA's performance [24 CFR 902.73(a)(2)].
- LACDAs with an overall rating of "troubled" are subject to additional HUD oversight, and are required to enter into a memorandum of agreement (MOA) with HUD to improve LACDA performance [24 CFR 902.75].
- LACDAs that fail to execute or meet MOA requirements may be referred to the Assistant Secretary to determine remedial actions, including, but not limited to, remedies available for substantial default [24 CFR 902.75(g) and 24 CFR Part 907].

LACDAs must post a notice of its final LACDAS score and status in appropriate conspicuous and accessible locations in its offices within two weeks of receipt of its final score and designation [24 CFR 902.64(b)(2)].

PART V: RECORD KEEPING

16-V.A. OVERVIEW

The LACDA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the LACDA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights, and that comply with VAWA 2013 confidentiality requirements.

16-V.B. RECORD RETENTION

The LACDA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

Notice PIH 2014-20 requires the LACDA to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

The LACDA must keep confidential records of all emergency transfer requested under the LACDA's Emergency Transfer Plan, and the outcomes of such requests, and retain the records for a period of three years, or for a period of time as specific in program regulations [24 CFR 5.2002(e)(12)].

LACDA Policy

The LACDA will keep the last three years of the Form HUD-50058 and supporting documentation, and for at least three years after end of participation all documents related to a family's eligibility, tenancy, and termination.

In addition, the LACDA will keep the following records for at least three years:

- An application from each ineligible family and notice that the applicant is not eligible

- Lead-based paint records as required by 24 CFR 35, Subpart B

- Documentation supporting the establishment of flat rents

- Documentation supporting the establishment of utility allowances and surcharges

- Documentation related to LACDAS

- Accounts and other records supporting LACDA budget and financial statements for the program

- Complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule

- Confidential records of all emergency transfers related to VAWA requested under the LACDA's Emergency Transfer Plan and the outcomes of such requests

Other records as determined by the LACDA or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

16-V.C. RECORDS MANAGEMENT

LACDAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

LACDA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized LACDA staff.

LACDA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the LACDA may release the information collected.

Upfront Income Verification (UIV) Records

LACDAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

LACDA Policy

Prior to utilizing HUD's EIV system, the LACDA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The LACDA may only disclose the criminal conviction records which the LACDA receives from a law enforcement agency to officers or employees of the LACDA, or to authorized representatives of the LACDA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The LACDA must establish and implement a system of records management that ensures that any criminal record received by the LACDA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the LACDA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The LACDA must establish and implement a system of records management that ensures that any sex offender registration information received by the LACDA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the LACDA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a LACDA other than under 24 CFR 5.905.

Medical/Disability Records

LACDAs are not permitted to inquire about the nature or extent of a person's disability. The LACDA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the LACDA receives a verification document that provides such information, the LACDA should not place this information in the tenant file. The LACDA should destroy the document.

Domestic Violence, Dating Violence, Sexual Assault, or Stalking Records

For requirements and LACDA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, or stalking, see section 16-VII.E.

**PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH
ELEVATED BLOOD LEAD LEVEL**

16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e); Notice PIH 2017-13]

The LACDA has certain responsibilities relative to children with elevated blood lead levels that are living in public housing.

The LACDA must report the name and address of a child identified as having an elevated blood lead level (EBLL) to the public health department within five business days of being so notified by any other medical health care professional. The LACDA must also report each known case of a child with an EBLL to the HUD field office.

LACDA Policy

The LACDA will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level.

The LACDA will provide written notice of each known case of a child with an EBLL to the HUD field office, and to HUD's Office of Lead Hazard Control (OLHCHH), within five business days of receiving the information.

PART VII: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, AND CONFIDENTIALITY

16-VII.A. OVERVIEW

The Violence against Women Reauthorization Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, and stalking who are applying for or receiving assistance under the public housing program. If your state or local laws provide greater protection for such victims, those apply in conjunction with VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and LACDA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and LACDA policies are located in Chapter 3, “Eligibility” (sections 3-I.C and 3-III.F); Chapter 5, “Occupancy Standards and Unit Offers” (section 5-II.D); Chapter 8, “Leasing and Inspections” (section 8-I.B); Chapter 12, “Transfer Policy” (sections 12-III.C, 12-III.F, and 12-IV.D); and Chapter 13, “Lease Terminations” (sections 13-III.F and 13-IV.D).

16-VII.B. DEFINITIONS [24 CFR 5.2003, FR Notice 8/6/13]

As used in VAWA:

- The term *affiliated individual* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that person stands in the position or place of a parent; or
 - Any individual, tenant or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.
- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship
 - The type of relationship
 - The frequency of interaction between the persons involved in the relationship
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term *sexual assault* means:
 - Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks the capacity to consent
- The term *stalking* means:
 - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

16-VII.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The LACDA adopts the following policy to help ensure that all actual and potential beneficiaries of its public housing program are aware of their rights under VAWA.

LACDA Policy

The LACDA will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A notice of occupancy rights under VAWA to public housing program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380, see Exhibit 16-1)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (see Exhibit 16-2)

A copy of the LACDA's emergency transfer plan (Exhibit 16-3)

A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383 (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 16-1)

Contact information for local victim advocacy groups or service providers

Notification to Applicants and Tenants [24 CFR 5.2005(a)(1)]

LACDAs are required to inform public housing applicants and tenants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

The LACDA must distribute a notice of VAWA rights, along with the VAWA self-certification form (HUD-5382) at each of these three junctures.

LACDA Policy

The VAWA information provided to applicants and participants will consist of the notices in Exhibit 16-1 and 16-2.

The LACDA will provide all applicants with information about VAWA at the time they request an application for housing assistance. The LACDA will also include such information in all notices of denial of assistance (see section 3-III.F).

The LACDA will provide all tenants with information about VAWA at the time of admission (see section 8-I.B) and at annual reexamination. The LACDA will also include such information in all lease termination notices (see section 13-IV.D).

The LACDA is not limited to providing VAWA information at the times specified in the above policy. If the LACDA decides to provide VAWA information to a tenant following an incident of domestic violence, Notice PIH 2006-42 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the LACDA make alternative delivery arrangements that will not put the victim at risk.

LACDA Policy

Whenever the LACDA has reason to suspect that providing information about VAWA to a public housing tenant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the LACDA may decide not to send mail regarding VAWA protections to the victim's unit if the LACDA believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the LACDA will take reasonable precautions to ensure that no one can overhear the conversation such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

16-VII.D. DOCUMENTATION [24 CFR 5.2007]

A LACDA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, or stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The LACDA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the LACDA’s request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- (2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The LACDA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under “Conflicting Documentation,” nor may it require certification in addition to third-party documentation [VAWA 2005 final rule].

LACDA Policy

Any request for documentation of domestic violence, dating violence, sexual assault, or stalking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The LACDA may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the LACDA will consider factors that may contribute to the victim’s inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim’s need to address health or safety issues. Any extension granted by the LACDA will be in writing.

Once the victim provides documentation, the LACDA will acknowledge receipt of the documentation within 10 business days.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the LACDA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the LACDA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The LACDA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the LACDA. The LACDA must honor any court orders issued to protect the victim or to address the distribution of property. Individuals have 30 calendar days to return third-party verification to the LACDA. If the LACDA does not receive third-party documentation, and the LACDA will deny or terminate assistance as a result, the LACDA must hold separate hearings for the tenants [Notice PIH 2017-08].

LACDA Policy

If presented with conflicting certification documents from members of the same household, the LACDA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made. When requesting third-party documents, the LACDA will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If the LACDA does not receive third-party documentation within the required timeframe (and any extensions) the LACDA will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the LACDA will hold separate hearings for the applicants or tenants.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The LACDA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

LACDA Policy

If the LACDA accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, or stalking, the LACDA will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a LACDA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the LACDA may allow, the LACDA may deny relief for protection under VAWA.

16-VII.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the LACDA regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, must be retained in confidence. This means that the LACDA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

LACDA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the LACDA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

**EXHIBIT 16-1: NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE
AGAINST WOMEN ACT, FORM HUD-5380**

Los Angeles County Development Authority

Notice of Occupancy Rights under the Violence Against Women Act¹

To all Tenants and Applicants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.² The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that public housing is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.”

Protections for Applicants

If you otherwise qualify for assistance under public housing, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Protections for Tenants

If you are receiving assistance under public housing, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under public housing solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

¹ Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

² Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Removing the Abuser or Perpetrator from the Household

The LACDA may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If the LACDA chooses to remove the abuser or perpetrator, the LACDA may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, the LACDA must allow the tenant who is or has been a victim and other household members to remain in the unit for 30 days, in order to establish eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, the LACDA must follow Federal, State, and local eviction procedures. In order to divide a lease, the LACDA may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

Moving to Another Unit

Upon your request, the LACDA may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, the LACDA may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the LACDA may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

- 1. You are a victim of domestic violence, dating violence, sexual assault, or stalking.**

If your LACDA does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.

- 2. You expressly request the emergency transfer.** Your LACDA may choose to require that you submit a form, or may accept another written or oral request.
- 3. You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

The LACDA will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

The LACDA's emergency transfer plan provides further information on emergency transfers, and the LACDA must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

The LACDA can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from the LACDA must be in writing, and the LACDA must give you at least 14 business days (Saturdays, Sundays, and federal holidays do not count) from the day you receive the request to provide the documentation. The LACDA may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to the LACDA as documentation. It is your choice which of the following to submit if HP asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by the LACDA with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that the LACDA has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, the LACDA does not have to provide you with the protections contained in this notice.

If the LACDA receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), the LACDA has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the

conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, the LACDA does not have to provide you with the protections contained in this notice.

Confidentiality

The LACDA must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

The LACDA must not allow any individual administering assistance or other services on behalf of the LACDA (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable federal, state, or local law.

The LACDA must not enter your information into any shared database or disclose your information to any other entity or individual. The LACDA, however, may disclose the information provided if:

- You give written permission to the LACDA to release the information on a time limited basis.
- The LACDA needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires the LACDA to release the information.

VAWA does not limit the LACDA's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, the LACDA cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if the LACDA can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

1. Would occur within an immediate time frame, and
2. Could result in death or serious bodily harm to other tenants or those who work on the property.

If the LACDA can demonstrate the above, the LACDA should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with The Requirements of This Notice

You may report your LACDA for violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with United States Department of Housing & Urban Development (HUD) Los Angeles Field Office 300 North Los Angeles Street, Suite 4054

For Additional Information

You may view a copy of HUD's final VAWA rule at: <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>.

Additionally, the LACDA must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact your management office.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact **[Insert contact information for relevant local organizations]**.

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

For help regarding sexual assault, you may contact Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 1-800-656-4673, or visit the online hotline [athttps://ohl.rainn.org/online/](https://ohl.rainn.org/online/).

Victims of stalking seeking help may contact National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Attachment: Certification form HUD-5382 **[form approved for this program to be included]**

**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION,
FORM HUD-5382**

**CERTIFICATION OF
DOMESTIC VIOLENCE,
DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING,
AND ALTERNATE DOCUMENTATION**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE,
DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

1. Date the written request is received by victim: _____

2. Name of victim: _____

3. Your name (if different from victim's): _____

4. Name(s) of other family member(s) listed on the lease: _____

5. Residence of victim:

6. Name of the accused perpetrator (if known and can be safely disclosed):

7. Relationship of the accused perpetrator to the victim:

8. Date(s) and times(s) of incident(s) (if known):

10. Location of incident(s):

In your own words, briefly describe the incident(s):

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Attachment: Certification form HUD-5382

Los Angeles County Development Authority

**Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
Public Housing Program**

Emergency Transfers

The LACDA is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),³ the LACDA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.⁴ The ability of the LACDA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether the LACDA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the public housing and housing choice voucher (HCV) programs are in compliance with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for an emergency transfer, if the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

³Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

⁴Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify the LACDA's management office and submit a written request for a transfer to **any LACDA office**. The LACDA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under the LACDA's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

The LACDA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives the LACDA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about the LACDA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

The LACDA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. The LACDA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. The LACDA may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If the LACDA has no safe and available units for which a tenant who needs an emergency transfer is eligible, the LACDA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, the LACDA will also assist tenants in contacting the local organizations offering assistance to

victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Emergency Transfers: Public Housing (PH) Program

If you are a public housing resident and request an emergency transfer as described in this plan, the LACDA will attempt to assist you in moving to a safe unit quickly. The LACDA will make exceptions as required to policies restricting moves.

Emergency transfers for which you are not required to apply for assistance include the following:

- Public housing unit in a different development
- Public housing unit in the same development, if you determine that the unit is safe

At your request, the LACDA will refer you to organizations that may be able to further assist you.

You may also request an emergency transfer to the following programs for which you are required to apply for assistance:

- HCV tenant-based program
- HCV project-based assistance
- Other programs administered by the LACDA (such as state housing programs)

Emergency transfers will not take priority over waiting list admissions for these types of assistance. At your request, the LACDA will refer you to organizations that may be able to further assist you.

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Attachment: Local offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking.

EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, FORM HUD-5383

**EMERGENCY TRANSFER
REQUEST FOR CERTAIN
VICTIMS OF DOMESTIC
VIOLENCE, DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

The requirements you must meet are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking.

If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

(2) You expressly request the emergency transfer. Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

Submission of Documentation: If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER

1. Name of victim requesting an emergency transfer: _____

2. Your name (if different from victim's) _____

3. Name(s) of other family member(s) listed on the lease: _____

4. Name(s) of other family member(s) who would transfer with the victim:

5. Address of location from which the victim seeks to transfer: _____

6. Address or phone number for contacting the victim: _____

7. Name of the accused perpetrator (if known and can be safely disclosed):

8. Relationship of the accused perpetrator to the victim: _____

9. Date(s), Time(s) and location(s) of incident(s): _____

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. _____

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.

12. If voluntarily provided, list any third-party documentation you are providing along with this notice:

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date)



LACDA

Los Angeles County Development Authority

ADMINISTRATIVE PLAN

EFFECTIVE JULY 1, 2021

Contents

CHAPTER 1: POLICIES AND OBJECTIVES	1-1
1.1 INTRODUCTION.....	1-1
1.2 PURPOSE OF THE PLAN.....	1-1
1.3 LOCAL OBJECTIVES	1-2
1.4 JURISDICTION	1-2
1.5 RENTAL ASSISTANCE PROGRAMS.....	1-2
1.6 FAIR HOUSING AND EQUAL OPPORTUNITY POLICY.....	1-3
1.7 NON-DISCRIMINATION POLICY.....	1-4
1.8 OPERATING RESERVES.....	1-5
1.9 SERVICE POLICY	1-5
1.10 LIMITED ENGLISH PROFICIENCY.....	1-10
1.11 MEANINGFUL ACCESS; FOUR-FACTOR ANALYSIS	1-10
1.12 DEFINITIONS	1-10
1.13 LANGUAGE ASSISTANCE	1-11
1.14 INTERPRETIVE (ORAL) SERVICES	1-11
1.15 TRANSLATION OF DOCUMENTS	1-13
1.16 MONITORING.....	1-14
1.17 LEP PLAN DISTRIBUTION AND TRAINING	1-14
1.18 FAMILY OUTREACH.....	1-14
1.19 OWNER OUTREACH.....	1-15
1.20 PRIVACY RIGHTS	1-15
1.21 MONITORING PROGRAM PERFORMANCE.....	1-16
1.22 TERMINOLOGY	1-16
CHAPTER 2: ADMISSION ELIGIBILITY FACTORS AND APPLICANT REQUIREMENTS	2-1
2.1 INTRODUCTION.....	2-1
2.2 ELIGIBILITY FACTORS AND REQUIREMENTS	2-1
2.3 FAMILY COMPOSITION	2-2
2.4 INCOME LIMITATIONS	2-5
2.5 ELIGIBILITY OF STUDENTS.....	2-6
2.6 CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS	2-6
2.7 SOCIAL SECURITY NUMBER VERIFICATION REQUIREMENTS	2-7
2.8 DENIALS OF ASSISTANCE	2-7
2.9 SUITABILITY OF FAMILY	2-13
2.10 DENYING ADMISSION TO INELIGIBLE FAMILIES	2-13
2.11 PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING.	2-13
CHAPTER 3: ADMINISTRATION OF THE WAITING LIST	3-1
3.1 INTRODUCTION.....	3-1
3.2 HOW TO REGISTER	3-1
3.3 TIME OF SELECTION.....	3-3
3.4 CROSS-LISTING OF PUBLIC HOUSING AND SECTION 8 WAITING LISTS	3-3
3.5 PURGING THE WAITING LIST	3-3
3.6 APPLICATION POOL	3-5
CHAPTER 4: ADMISSION PROCESS	4-1
4.1 INTRODUCTION.....	4-1
4.2 APPLICATION PROCEDURES	4-1

4.3	SELECTION AND FUNDING SOURCES	4-5
4.4	LOCAL PREFERENCES.....	4-6
4.5	DENIAL OF ASSISTANCE	4-9
4.6	FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY.....	4-9
CHAPTER 5: SUBSIDY STANDARDS		5-1
5.1	INTRODUCTION.....	5-1
5.2	DETERMINATION OF VOUCHER SIZE	5-1
5.3	OCCUPANCY STANDARDS WAIVER.....	5-3
5.4	EXCEPTIONS FOR FOSTER CHILDREN.....	5-4
5.5	FLEXIBILITY OF UNIT SIZE ACTUALLY SELECTED	5-4
CHAPTER 6: DETERMINING THE TOTAL TENANT PAYMENT AND THE ABSENCE POLICY.....		6-1
6.1	INTRODUCTION.....	6-1
6.2	INCOME DEFINITIONS	6-1
6.3	INCOME DEDUCTIONS.....	6-1
6.4	INCOME INCLUSIONS AND EXCLUSIONS.....	6-3
6.5	FAMILY ASSETS.....	6-10
6.6	CALCULATING INCOME AND FAMILY CONTRIBUTION	6-12
6.7	PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES.....	6-14
6.8	ABSENCE POLICY.....	6-14
CHAPTER 7: VERIFICATION PROCEDURES		7-1
7.1	INTRODUCTION.....	7-1
7.2	METHODS OF VERIFICATION AND TIME ALLOWED	7-1
7.3	TIMELINESS OF VERIFICATIONS	7-2
7.4	RELEASE OF INFORMATION.....	7-4
7.5	COMPUTER MATCHING	7-4
7.6	ITEMS TO BE VERIFIED	7-5
7.7	VERIFICATION OF INCOME.....	7-5
7.8	INCOME FROM ASSETS	7-9
7.9	VERIFICATION OF ASSETS.....	7-10
7.10	VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME	7-12
7.11	VERIFYING NON-FINANCIAL FACTORS	7-14
CHAPTER 8: VOUCHER ISSUANCE AND BRIEFINGS.....		8-1
8.1	INTRODUCTION.....	8-1
8.2	ISSUANCE OF HOUSING CHOICE VOUCHERS.....	8-1
8.3	BRIEFING TYPES AND REQUIRED ATTENDANCE	8-1
8.4	INFORMATION PROVIDED AT THE BRIEFING SESSION	8-2
8.5	ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION	8-4
8.6	SECURITY DEPOSIT REQUIREMENTS	8-5
8.7	TERM OF VOUCHER	8-5
8.8	VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS.....	8-6
8.9	REMAINING MEMBER OF FAMILY – RETENTION OF VOUCHER.....	8-7
8.10	FAMILY VOLUNTARILY RELINQUISHES HOUSING CHOICE VOUCHER	8-7
CHAPTER 9: THE NEW CONTRACT PROCESS - REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION		9-1
9.1	INTRODUCTION.....	9-1
9.2	REQUEST FOR TENANCY APPROVAL	9-1
9.3	ELIGIBLE TYPES OF HOUSING	9-2

9.4	RESTRICTIONS ON RENTING TO RELATIVES.....	9-4
9.5	LEASE AGREEMENTS.....	9-4
9.6	INITIAL INSPECTIONS.....	9-6
9.7	RENT LIMITATIONS.....	9-6
9.8	RENT REASONABLENESS.....	9-6
9.9	WHEN A NEW CONTRACT IS REQUIRED FOR AN EXISTING TENANCY.....	9-6
9.10	INFORMATION TO OWNERS.....	9-7
9.11	OWNER DISAPPROVAL.....	9-7
9.12	CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE.....	9-8
9.13	CONTRACT EXECUTION PROCESS.....	9-9
9.14	CHANGE IN OWNERSHIP.....	9-10
CHAPTER 10: HOUSING QUALITY STANDARDS AND INSPECTIONS		10-1
10.1	INTRODUCTION.....	10-1
10.2	TYPES OF INSPECTIONS.....	10-1
10.3	HOUSING QUALITY STANDARDS (HQS).....	10-1
10.4	LEAD-BASED PAINT.....	10-9
10.5	INSPECTIONS SCHEDULE.....	10-12
10.6	NEW CONTRACT (INITIAL) INSPECTIONS.....	10-12
10.7	BIENNIAL AND INTERIM INSPECTIONS.....	10-13
10.8	FAILED INSPECTIONS: DETERMINATION OF RESPONSIBILITY.....	10-14
10.9	FAILED INSPECTIONS: WHEN DEFICIENCIES MUST BE CORRECTED.....	10-14
10.10	CONSEQUENCES OF VERIFIED FAMILY-CAUSED DEFICIENCIES.....	10-16
10.11	CONSEQUENCES OF VERIFIED OWNER-RELATED DEFICIENCIES.....	10-16
10.12	QUALITY CONTROL INSPECTIONS.....	10-18
CHAPTER 11: SETTING PAYMENT STANDARDS AND DETERMINING RENT REASONABLENESS		11-1
11.1	INTRODUCTION.....	11-1
11.2	PAYMENT STANDARDS FOR THE VOUCHER PROGRAM.....	11-1
11.3	RENT REASONABLENESS DETERMINATIONS.....	11-2
11.4	WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED.....	11-3
11.5	METHODOLOGY USED FOR ESTABLISHING UNIT COMPARABILITY.....	11-4
CHAPTER 12: RE-EXAMINATION		12-1
12.1	INTRODUCTION.....	12-1
12.2	RE-EXAMINATION NOTIFICATION TO THE FAMILY.....	12-1
12.3	INTERIM RE-EXAMINATION.....	12-2
12.4	CHANGES IN FAMILY COMPOSITION.....	12-5
12.5	CONTINUATION OF ASSISTANCE FOR “MIXED” FAMILIES.....	12-6
CHAPTER 13: ALLOWABLE MOVES/PORTABILITY		13-1
13.1	INTRODUCTION.....	13-1
13.2	ALLOWABLE MOVES AND RESTRICTIONS.....	13-1
13.3	PROCEDURES FOR MOVES FOR CURRENT PARTICIPANTS.....	13-3
13.4	OUTGOING PORTABILITY PROCEDURES.....	13-4
13.5	INCOMING PORTABILITY PROCEDURES.....	13-5
CHAPTER 14: CONTRACT TERMINATIONS		14-1
14.1	INTRODUCTION.....	14-1
14.2	DESCRIPTION OF DOCUMENTS.....	14-1
14.3	TERMINATION OF THE LEASE BY THE FAMILY: MOVES.....	14-1
14.4	TERMINATION OF THE LEASE BY THE OWNER: DOMESTIC ABUSE.....	14-1

14.5	MUTUAL TERMINATION OF THE LEASE	14-3
14.6	TERMINATION OF THE HAP CONTRACT BY THE LACDA.....	14-3
14.7	HAP PAYMENTS AND CONTRACT TERMINATIONS.....	14-5
CHAPTER 15: TERMINATION OF ASSISTANCE		15-1
15.1	INTRODUCTION.....	15-1
15.2	FORMS OF TERMINATION.....	15-1
15.3	FAMILY NO LONGER REQUIRES ASSISTANCE (ZERO ASSISTANCE).....	15-1
15.4	MANDATORY TERMINATION OF ASSISTANCE	15-1
15.5	MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS	15-3
15.6	OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE.....	15-5
15.7	TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING VICTIMS AND PERPETRATORS.....	15-6
15.8	FAMILY OBLIGATIONS	15-9
15.9	CONSIDERATION OF CIRCUMSTANCES	15-13
15.10	REQUIRED EVIDENCE.....	15-14
15.11	CONFIDENTIALITY OF CRIMINAL RECORDS.....	15-14
15.12	DISCLOSURE OF CRIMINAL RECORDS TO FAMILY.....	15-14
15.13	NOTICE OF TERMINATION OF ASSISTANCE	15-14
15.14	OPTION NOT TO TERMINATE FOR MISREPRESENTATION OF INCOME.....	15-15
15.15	MISREPRESENTATION IN COLLUSION WITH OWNER	15-15
15.16	REPORTING TERMINATED FAMILIES TO ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM.....	15-15
CHAPTER 16: INFORMAL REVIEWS/HEARINGS.....		16-1
16.1	INTRODUCTION.....	16-1
16.2	REASONABLE ACCOMMODATION	16-1
16.3	INFORMAL REVIEW PROCEDURES FOR APPLICANTS	16-1
16.4	INFORMAL HEARING FOR PARTICIPANTS	16-2
16.5	WHEN AN INFORMAL HEARING IS NOT REQUIRED.....	16-6
CHAPTER 17: OWNER OR FAMILY DEBTS TO THE LACDA.....		17-1
17.1	INTRODUCTION.....	17-1
17.2	REPAYMENT AGREEMENTS FOR FAMILIES.....	17-1
17.3	FAMILY DEBTS OWED FOR UTILITY REIMBURSEMENT PAYMENTS.....	17-3
17.4	FAMILY DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION	17-3
17.5	FAMILY DEBTS PAID IN FULL.....	17-4
17.6	OWNER DEBTS TO THE LACDA	17-4
17.7	WRITING OFF DEBTS	17-5
CHAPTER 18: SPECIAL PROGRAMS		18-1
18.1	INTRODUCTION.....	18-1
18.2	VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM.....	18-1
18.3	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA).....	18-4
18.4	HOUSING CHOICE VOUCHER FAMILY UNIFICATION (FAMILY UP) PROGRAM.....	18-7
18.5	FAMILY SELF-SUFFICIENCY PROGRAM	18-8
CHAPTER 19: ENHANCED HOUSING CHOICE VOUCHER ASSISTANCE		19-1
19.1	INTRODUCTION.....	19-1
19.2	TERMS/PROVISIONS	19-1
19.3	COVERED HOUSING CONVERSION ACTIONS	19-4
19.4	DENIAL OF ENHANCED VOUCHER SUBSIDY	19-5
CHAPTER 20: MODERATE REHABILITATION PROGRAM.....		20-1

20.1	INTRODUCTION.....	20-1
20.2	THE EXPIRED 15-YEAR CONTRACTS	20-1
20.3	REQUESTING AN EXTENSION	20-1
20.4	ANNUAL INCREASE FOR THE EXPIRED 15-YEAR CONTRACTS	20-2
20.5	NON-EXPIRED MOD REHAB CONTRACTS	20-2
20.6	REQUEST TO MOVE.....	20-3
20.7	WAITING LIST.....	20-3
20.8	REFERRALS.....	20-3
20.9	NEW LEASE PROCESS.....	20-4
20.10	PHYSICAL CONDITION AND INSPECTION REQUIREMENTS	20-4
20.11	SECURITY DEPOSITS	20-4
20.12	OVERHOUSED AND UNDERHOUSED TENANTS	20-4
20.13	TERMINATION OF TENANCY	20-5
20.14	OWNER CLAIMS	20-6
CHAPTER 21: PROJECT-BASED VOUCHER PROGRAM.....		21-1
21.1	INTRODUCTION.....	21-1
21.2	LEVEL OF ASSISTANCE	21-1
21.3	HUD NOTIFICATION OF INTENT TO PROJECT-BASE	21-2
21.4	OWNER PROPOSAL SELECTION PROCEDURE.....	21-3
21.5	HOUSING ELIGIBLE FOR ASSISTANCE.....	21-4
21.6	CAP ON NUMBER OF PBV UNITS IN EACH PROJECT	21-4
21.7	PROJECT SELECTION CRITERIA	21-7
21.8	AGREEMENT TO ENTER INTO THE HAP CONTRACT	21-12
21.9	SELECTION OF PARTICIPANTS.....	21-13
21.10	INFORMATION FOR ACCEPTED FAMILIES.....	21-14
21.11	LEASING OF CONTRACT UNITS.....	21-14
21.12	VACANCIES.....	21-14
21.13	TENANT SCREENING	21-15
21.14	HOUSING ASSISTANCE PAYMENTS CONTRACT	21-15
21.15	HOUSING QUALITY STANDARDS (HQS) INSPECTIONS.....	21-18
21.16	RESTRICTIONS ON RENTING TO RELATIVES	21-19
21.17	LEASE	21-19
21.18	CURRENT PARTICIPANT RIGHT TO MOVE WITH TENANT-BASED ASSISTANCE.....	21-21
21.19	FAMILY OCCUPANCY OF WRONG-SIZE OR ACCESSIBLE UNIT.....	21-22
21.20	DETERMINING RENT TO OWNER.....	21-22
21.21	PAYMENT TO OWNER.....	21-24

CHAPTER 1: POLICIES AND OBJECTIVES

1.1 INTRODUCTION

In 1982, the Los Angeles County Board of Supervisors consolidated three entities – the Housing Authority, the Community Development Department, and the Redevelopment Agency – to form the Community Development Commission (CDC). On May 16, 2019, the agency was officially rebranded as the Los Angeles County Development Authority (LACDA). LACDA is part of the County family, but an independent agency not a County Department. The LACDA’s core pillars include affordable housing, and community and economic development. The agency’s wide-ranging programs benefit residents and business owners in the unincorporated Los Angeles County areas and in various incorporated cities that participate in different programs (these cities are called “participating cities”). According to the 2010 U.S. Census, more than one million of the County’s nearly ten million residents live in unincorporated areas.

Over 70% of LACDA’s funding comes from the U.S. Department of Housing and Urban Development to provide subsidized housing, housing development and preservation, community development, and economic development within Los Angeles County.

Under the LACDA organizational structure, the Housing Assistance Division administers all tenant-based and project-based Housing Choice Voucher rental assistance programs.

1.2 PURPOSE OF THE PLAN **[24 CFR §982.54(a) – §982.54(d)]**

The purpose of the Administrative Plan is to clearly outline the policies and procedures that govern the LACDA’s administration of the Section 8 Housing Choice Voucher rental assistance programs. The plan includes program requirements established by the U.S. Department of Housing and Urban Development (HUD), as well as the discretionary policies established by the LACDA.

The policies and procedures in this Administrative Plan comply with applicable local, State, and HUD and other Federal regulations, relevant memos, notices and guidelines, including fair housing and equal opportunity requirements. If applicable regulatory changes conflict with this plan, regulations will have precedence.

The LACDA adheres to the Administrative Plan in administering its Section 8 rental assistance programs. The original plan and any changes must be approved by the Board of Commissioners of the agency (the Los Angeles County Board of Supervisors), and a copy of the plan must be provided to HUD.

As much as possible, revisions and additions are published to coincide with published changes in the LACDA’s Agency Plan. Interim changes, including Board mandates and administrative updates reflecting changes in law or regulatory requirements, will be made effective by memo from the Executive Director or designee.

1.3 LOCAL OBJECTIVES

[24 CFR §982.1(a)]

The LACDA's rental assistance programs are designed to achieve three major objectives:

1. To provide improved living conditions and decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level;
2. To provide an incentive to private property owners to rent to lower income families by offering timely assistance payments; and
3. To promote freedom of housing choice and spatial deconcentration of lower income and minority families.

Additionally, the LACDA's mission statement is as follows:

- To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

1.4 JURISDICTION

[24 CFR §982.51 and 24 CFR §982.4(b)]

HUD authorizes the LACDA to administer its Section 8 Housing Choice Voucher and other subsidized rental assistance programs within the corporate boundaries of Los Angeles County. The LACDA's jurisdiction includes:

1. The unincorporated areas of the County, and
2. Participating cities within the County. Participating cities are defined as cities in the Los Angeles County area that have authorized the LACDA to administer rental assistance programs within their city limits.

1.5 RENTAL ASSISTANCE PROGRAMS

Section 8 of the Housing and Community Development Act of 1974 established the "Section 8 Program," the first permanent Federal program for rental assistance. The program authorized a basic certificate program, as well as targeted subprograms. As rental assistance programs developed, Congress authorized additional Section 8 programs, including a voucher program in 1987.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) required Public Housing Agencies (PHA's) to convert their certificates into vouchers and establish the Housing Choice Voucher Program as the primary rental assistance program. As a result of this conversion, the Housing Choice Voucher Program now encompasses all Section 8 rental assistance except for existing certificates under the previously offered Moderate Rehabilitation Program.

- **Moderate Rehabilitation Program**: A certificate-based rental assistance program incorporating financial options for owners doing moderate levels of rehab and upkeep to affordable housing rental units. Administration involves closing or extending expiring contracts. Chapter 20 (Moderate Rehabilitation Program) covers the details of this program.

- **Section 8 Pre-Pay/Preservation Program**: A voucher-based rental assistance program that enables existing participants, living in units in which owners have prepaid a HUD-insured mortgage loan, to remain in affordable housing. Chapter 19 (Pre-Pay/Preservation Program) covers the details of this program.
- **Project-Based Voucher Program**: The LACDA will utilize Project-Based vouchers to prevent the displacement of families and preserve affordable rents in the case of an unforeseen event.
- **Housing Choice Voucher Program**: The major rental assistance program administered by the LACDA.
 - **Note**: Unless otherwise noted, the procedures in this Administrative Plan are for the general Housing Choice Voucher Program.

As required by HUD regulations, the LACDA administers the Family Self-Sufficiency Program as a special program option for participants in the Housing Choice Voucher Program. See Chapter 18 (Special Programs) for details.

1.5.1 Targeted and Special Programs

Periodically, the LACDA applies for special funding from HUD to assist targeted populations, within the Housing Choice Voucher Program.

Families admitted into a targeted program must meet all regular admission requirements with the exception of the residency requirement. Since the LACDA is required to work closely with other County departments that provide services through all of Los Angeles County, families residing outside of the LACDA's jurisdiction are allowed to participate in targeted programs. However, families may be required to move within the LACDA's jurisdiction for at least one year.

1.6 FAIR HOUSING AND EQUAL OPPORTUNITY POLICY

[24 CFR §982.53 and California FEHA Act]

It is the policy of the LACDA to comply fully with all Federal, State and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

The LACDA shall not deny any family or individual the opportunity to apply for or receive assistance under its rental assistance programs on the basis of race, color, sex, religion, gender, gender identity and expression, family status, national origin, marital status, ancestry, age, sexual orientation, disability, source of income, medical condition, military and veteran status, genetic information, arbitrary characteristics, or any other basis prohibited by law.

The LACDA will provide Federal, State, and local information to voucher holders during the family briefing session regarding discrimination, and the recourse available to them if they are victims of discrimination. Applicants and other voucher holders will be informed that they may file a fair housing complaint using the toll-free hotline at 1-800-669-9777 and that persons with hearing or speech impairments may access this number via TTY by calling the Federal Information

Relay Service at 1-800-887-8339. All fair housing information and discrimination complaint forms will be included in the voucher holder's briefing packet.

1.7 NON-DISCRIMINATION POLICY

It is the policy of the Los Angeles County Development Authority (LACDA), formerly known as the Housing Authority of the County of Los Angeles, to comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 *et seq.*, by ensuring that housing is available to all persons without regard to race, color, religion, national origin, disability, familial status (having children under age 18), or sex. This policy means that, among other things, LACDA and its agents or employees must not discriminate in any aspect of housing, including but not limited to denying persons access to housing, because of race, color, religion, national origin, disability, familial status, or sex. Such agents and employees may not:

- a. Make unavailable or deny a dwelling to any person because of race, color, religion, national origin, disability, familial status, or sex;
- b. Discriminate against any person in the terms, conditions, or privileges of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, national origin, disability, familial status, or sex;
- c. Make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, national origin, disability, familial status, or sex, or an intention to make any such preference, limitation, or discrimination, or
- d. Coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his or her having exercised or enjoyed, or on account of his or her having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by the Fair Housing Act.

Any agent or employee who fails to comply with this non-discrimination policy will be subject to appropriate disciplinary action. Any action taken by an agent or employee that results in the unequal treatment of citizens on the basis of race, color, religion, national origin, disability, familial status, or sex, may constitute a violation of state and federal fair housing laws. An individual who believes that he or she is the victim of discrimination may contact the U.S. Department of Housing and Urban Development at 1-207-945-0467, or the U.S. Department of Justice at 1-800-896-7743.

1.8 OPERATING RESERVES

The Board of Commissioners shall establish the permitted uses of earned administrative fees at the time of the Annual Consolidated Operating Budget approval. The approval shall consist of the use of administrative fees for the Housing Choice Voucher Program (Section 8) administration.

The Board of Commissioners must approve the expenditure of Section 8 operating reserves in excess of \$100,000. The Executive Director may authorize allowable use of Section 8 operating reserve funds not in excess of \$100,000. The Deputy Executive Director may authorize allowable use of Section 8 operating reserve funds not in excess of \$30,000.

1.9 SERVICE POLICY

[24 CFR §8.24]

This policy is applicable to all situations described in this Administrative Plan when a family initiates contact with the LACDA, when the LACDA initiates contact with a family including when a family applies, and when the LACDA schedules or reschedules any kind of appointments.

It is the policy of the LACDA to be service-directed in the administration of its rental assistance programs, and to exercise and demonstrate a high level of professionalism while providing housing services to all families.

The LACDA's policies and practices are designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services.

1.9.1 Providing Greater Accessibility to Persons with Disabilities

The LACDA provides reasonable accommodations to persons with disabilities. The following is a non-exhaustive list of reasonable accommodations that may be available to a disabled person:

1. Providing office facilities which meet the requirements of Federal, State and local law with regard to accommodations for persons with disabilities;
2. Providing notice to applicants and participants that they may request a reasonable accommodation if a family member is a person with a disability;
3. Allowing the assistance of mechanical or electronic devices by applicants and participants as may be needed to facilitate communication at appointments;
4. Providing assistance in completing forms and other documents which are required by program regulations;
5. Encouraging families to utilize assistance from outside agencies in the completion of forms and documents required by the program;
6. Providing reasonable extensions of time for the completion of program requirements to the extent not prohibited by HUD regulations;

7. Providing extensions to the amount of time a family has to search for a unit with their voucher (see section 8.7.3);
8. Conducting in-home visits (or, where appropriate, telephone interviews) for persons who are unable to travel to LACDA offices due to medical conditions;
9. Maintaining Telecommunication Devices for the Deaf (TDD) phone services and publicizing their availability;
10. Providing an American Sign Language interpreter at the request of clients with a hearing impairment;
11. Providing documents in Braille, upon request;
12. Providing program documents in large font sizes upon request;
13. Providing, upon request, an appropriate meeting or conference room to accommodate a service and/or support animal;
14. Requesting HUD approval of an exception to the Fair Market Rent (FMR) or the Voucher Payment Standard, at the family's request, if a family contains a member with a disability and has a verifiable need to rent an accessible or otherwise appropriate specific unit in a specific area, but only if the unit meets the rent reasonableness requirements of the program;
15. Allow advocates to provide information as needed, but only with the permission of the person with the disability.

The following is a list of actions LACDA will take to affirmatively further fair housing for disabled persons. The LACDA is not limited only to those actions listed below to affirmatively further fair housing and may take other actions when deemed necessary and reasonable:

1. Actively and consistently examining the LACDA's programs, and proposed programs to identify any impediments to fair housing choice within the programs;
2. Resolving impediments to fair housing choice in a reasonable and timely fashion given resources available;
3. Soliciting information on the accessibility of owners' units to persons with disabilities and providing information on amenities the unit may provide persons with disabilities;
4. Providing a free internet-based housing search that lists available, accessible units;
5. Soliciting the assistance of outside agencies to provide services to persons with disabilities and to assist persons with disabilities in meeting the requirements of the Section 8 and other assisted housing programs;
6. Actively working with the County and participating cities to implement any initiatives to affirmatively further fair housing where involvement by the LACDA is necessary;

7. Providing to its Section 8 landlords information concerning their legal obligations to permit “reasonable modifications” to a rental unit at the participant’s expense if the family has a member with a disability and if the modification is necessary for the person with a disability to fully enjoy the unit;
8. Requiring all outside agencies who have agreements or contracts with the LACDA to abide by Federal, State and local laws and ordinances which require accommodation for persons with disabilities and not to reject any applicant or participant on the basis of a disability;
9. Providing training to all employees on how to accommodate applicants and participants with disabilities.

The LACDA will maintain documentation of all efforts to affirmatively further fair housing.

1.9.2 Requests for Reasonable Accommodation **[24 CFR §8.28]**

The LACDA is required to make reasonable adjustments to rules, policies, practices and procedures of its programs, in order to enable a disabled applicant or participant to have an equal opportunity to use and enjoy their unit, including common areas, and to comply with program obligations.

The LACDA approves reasonable accommodation requests on a case-by-case basis, upon determination that:

- The requested accommodation is reasonable (i.e., it does not result in a fundamental alteration in the nature of the program or an undue financial and administrative burden), and
- There is an identifiable relationship between the requested accommodation and the individual’s disability.

Requests for reasonable accommodation do not have to be made in writing, however it is preferred if the request is in writing to ensure the request is understood by all parties. Most requests for accommodation are verified with a reliable, knowledgeable professional so that the LACDA can properly accommodate the need presented by the disability (see Chapter 7 for Verification of Reasonable Accommodations). Families requesting a reasonable accommodation will be notified in writing of the decision. The written decision will also include a statement informing the family of their right to dispute the decision.

1.9.3 Persons with an Obvious and/or Visible Disability

Most reasonable accommodation requests are considered in accordance with the policies found in section 7.11.10. However, in accordance with the Joint Statement of the Department of Housing and Urban Development and the Department of Justice regarding Reasonable Accommodations under the Fair Housing Act, dated May 17, 2004 an Assistant Manager, Manager, Director or the ADA/504 Coordinator in the Housing Assistance Division may approve a family member’s self-certification of a need for a reasonable accommodation, but only if:

- 1) The individual has an obvious and/or visible disability (such as an individual who regularly uses a wheelchair or an individual with a hearing or visual impairment);
- 2) The accommodation requested is clearly related to the individual's disability (for example, a hearing-impaired person requests a sign language interpreter).

If a person's disability is obvious, or otherwise visible, and if the need for the requested accommodation is also readily apparent or known, Supervisory staff will not request any additional information about the requester's disability or the disability related need for the accommodation.

If Supervisory staff cannot determine whether there is a clear relationship (nexus) between the obvious disability and the need for an accommodation, the relationship (nexus) and need for the accommodation must be verified by a health care or service provider.

Supervisory staff must document the file with facts and reasoning to support acceptance of the family member's self-certification. The supervisor's approval of the self-certification takes the place of a third party verification of need for the accommodation.

1.9.4 General Guidelines for Exception Rents in Excess of the Regular Payment Standard

Under no circumstances may a family initially rent a unit if the family share will exceed the affordability limits stipulated by HUD. A family may rent a unit with a lower payment standard amount while its request for an exception rent or payment standard is pending so long as the family share does not exceed the affordability limitation. If approval for an exception payment standard is provided after the start date of the HAP Contract, the payment standard is revised effective the first of the month following the date of the final written approval.

1.9.5 Exceptions Payment Standard (120% of the FMR or Less)

These exceptions may be granted only by a Manager or the Director of the Housing Assistance Division.

The rent for the unit must be reasonable. The family must have at least one member who qualifies as a person with a disability for the purpose of reasonable accommodation. The unit must in some specific way accommodate the disability, such as the unit's physical amenities (grab-bars, ramps, special features for the blind), structure (elevator building, ground floor unit), location (near a medical facility, place of treatment, school providing special education, close location to bus lines or other facilities) or because of other circumstances or needs attested to by the health care or service provider.

The need for the accommodation must be verified in accordance with section 7.11.10 of this Plan.

1.9.6 Exceptions in Excess of 120% of the FMR

All requests for exceptions to the payment standard which exceed 120 % of the Fair Market Rent must be reviewed and approved by the Director. Requests above 120% of the FMR will require a HUD Headquarters waiver of 24 CFR 982.505(d).

Approval of exception payment standards may occur only if the family share will exceed 40% of the family's Adjusted Monthly Income (AMI), and the resulting exception payment standard will be premised on the family continuing to pay 40% of AMI as the family share. The exception payment standards remain in effect until and unless a higher exception payment standard is warranted, requested and subsequently approved.

1.9.7 Payment Standard Exceptions During the Contract Term

During the term of a HAP Contract, the LACDA may provide an exception to the payment standard to allow the unit to remain affordable to the family so long as the unit provides an accommodation for the disability. The exception cannot be retroactive and cannot take effect until after the date of the LACDA's (or HUD's) written approval.

1.9.8 Denials & Terminations - Discretion to Consider Circumstances

In determining whether to deny admission or terminate assistance because of action or failure to act by members of the family, the LACDA may consider mitigating circumstances relating to the disability of a family member and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

If the family includes a person with a disability, the LACDA's decision concerning termination or denial is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

1.9.9 Re-verifying the Need for Reasonable Accommodations

Once the need for a reasonable accommodation has been verified, staff does not re-verify the need for reasonable accommodation except when there is another change in circumstances.

Examples:

- A disabled person leaves the household,
- A family member listed as disabled can no longer verify s/he is disabled,
- At inspection no medical equipment is observed in an additional room granted as an accommodation to store or use the equipment,
- The health care or service provider approving a need for a live-in aide or other reasonable accommodation has indicated that the need or the disability will be of short duration,
- The family member loses his/her disabled status, for example when a person on State disability returns to work.

1.9.10 Resolving Complaints Regarding Reasonable Accommodation

Complaints or issues regarding the provision of reasonable accommodation for a person with a disability which are not resolved by the case manager are referred to the Housing Assistance Division ADA/Section 504 Coordinator who provides a preliminary review, conducts investigations, and resolves complaints and issues determinations.

1.10 LIMITED ENGLISH PROFICIENCY

In accordance with federal, state and local law, specifically Executive Order 13166, HUD LEP Guidance and Sections 7290 et seq. of the California Government Codes (“Dymally-Alatore Act”) the LACDA will provide meaningful access to its programs and activities by persons with Limited English Proficiency (LEP) and undertake reasonable efforts to provide or arrange free language assistance for LEP applicants or participants of the Housing Choice Voucher program and all other rental assistance programs administered by the Housing Assistance Division.

1.11 MEANINGFUL ACCESS; FOUR-FACTOR ANALYSIS

Meaningful access is free language assistance in accordance with federal guidelines. The LACDA is required to provide LEP services based on the balancing of the following four-factor analysis:

1. The number or proportion of LEP persons served or likely to be encountered by the LACDA.
2. The frequency with which with LEP persons using a particular language come into contact with the LACDA.
3. The nature and importance of the LACDA program, activity or service to the person’s life.
4. The LACDA’s resources and the cost of providing meaningful access.

The LACDA will annually assess and update the four-factor analysis in accordance with Section 1.17 Monitoring.

1.12 DEFINITIONS

1. “Applicant” includes applicants for any program administered by the Housing Assistance Division.
2. “Competent” refers to a person who is proficient and has knowledge of program terminology in both the English language and the non-English language being used.
3. “Interpretation” is competently taking oral or spoken information provided in one language and accurately communicating that information orally in another language.
4. “Interpreter” is a person (not a minor) able to speak fluently and read with full understanding both in the English language and the language of the LEP applicant or participant.

5. "Language services" or "Language Assistance" is the provision of free, competent language interpretation (oral) or translation services (written).
6. "LEP Individual" is a person who identifies as a LEP person, does not speak English as a primary language, and who has a limited ability to read, write, speak or understand English.
7. "Oral Translation" means the oral translation of a document from English into a second language. Oral translation involves the translation of every word, not summarization. However, in oral translation, because of cultural and technical issues, further explanation may also be required and is encouraged.
8. "Participant" includes persons receiving assistance under any rental assistance program administered by the Housing Assistance Division.
9. "Threshold Language" is a language spoken by 5% or 1,000, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered to determine the need for bilingual staff and translation of documents.
10. "Translation" means converting written material from one language to another in written form.
11. "Vital documents" are those that are critical for ensuring meaningful access by LEP persons to the rental assistance programs administered by the LACDA.

1.13 LANGUAGE ASSISTANCE

A Limited English Proficient (LEP) applicant or participant is entitled to language assistance with respect to the programs and activities of the LACDA.

LACDA staff will provide language assistance to LEP applicants and participants who have difficulty communicating in English, who identify themselves as LEP or who request language assistance.

Applicants will be asked at the time of application and participants will be asked at the time of annual reexamination to designate their primary language for both oral and written services and whether LEP services are needed. This information will be recorded in the electronic case file.

1.14 INTERPRETIVE (ORAL) SERVICES

LEP applicants and participants have the right to free interpreter services when the individual states a need or staff observes difficulty in communicating in English, whether or not the language they speak is considered a threshold language. Once a person is identified as LEP, interpreter services will be made available in all communication with or from the LACDA.

1.14.1 Formal Interpreters

To provide meaningful access for LEP applicants and participants, the LACDA will provide qualified interpreters, including agency bilingual staff and outside vendors to all identified LEP individuals or upon request.

The LACDA may require an interpreter to certify that he/she understood the matter communicated and rendered a competent interpretation.

- Only formal interpreters will be used at Voucher issuance briefings; and
- Informal hearings.

Informal interpreters will not be used in lieu of formal interpreters provided by the LACDA.

For informal hearings, a LACDA staff interpreter may not be a subordinate to the person making the decision.

The LACDA maintains a list of qualified, bilingual employees who have applied for, and tested for proficiency in interpreting and/or translating languages from English into a language other than English. Those employees receive additional compensation for demonstrating non-English language proficiency and can provide assistance to LACDA staff and LEP clients as part of their regular job duties.

1.14.2 Informal Interpreters

Informal interpreters may include the family members, friends, legal guardians, service representatives or advocates of the LEP individual. The use of informal interpreters is strongly discouraged. Minor children may not act as informal interpreters.

If the LEP individual wishes to rely solely on an informal interpreter, the LACDA staff will determine whether it is appropriate, depending upon the circumstances and subject matter of the communication. However, in many circumstances, informal interpreters may not be an appropriate option to provide accurate interpretations. There may be issues of confidentiality, competency or conflict of interest. In those cases, the LACDA may require the use of a formal interpreter despite the wish of the LEP individual to rely solely on his or her informal interpreter.

The LACDA will always offer a free interpreter. A LEP person may use an informal interpreter of his/her own choosing and at his/her expense, either in place of or as a supplement to the free language assistance offered by the LACDA. If possible, the LACDA will accommodate a LEP individual's request to use an informal interpreter in place of a formal interpreter.

If a LEP individual prefers an informal interpreter, after the LACDA has offered free interpreter services, the informal interpreter may interpret. In these cases, the LEP individual and interpreter will be asked to sign a waiver, in the LEP individual's preferred language or through oral translation, refusing interpreter services.

If a LEP individual wants to use his/her own informal interpreter, the LACDA reserves the right to also have a formal interpreter present.

1.14.3 Outside Resources

Outside resources may include competent community volunteers or competent Housing Choice Voucher participants.

Outside resources may be used for interpreting services at public or informal meetings or events if a timely request has been made.

The LACDA will establish and maintain relationships with organizations that assist specific cultural and ethnic groups living in Los Angeles County. To help their clients obtain or keep housing assistance through the LACDA, these organizations may provide qualified interpreters for LEP persons.

1.15 TRANSLATION OF DOCUMENTS

The LACDA will consider the following factors in determining whether a document requires translation:

- a. The document meets the threshold of a “vital document”. Per the HUD guidance, “vital documents” are those that are critical for ensuring meaningful access by beneficiaries or potential beneficiaries generally and LEP persons specifically.
- b. The costs and benefits of translating documents for potential LEP groups, the barriers to meaningful translation or interpretation of technical housing information, the likelihood of frequent changes in documents, the existence of multiple dialects within a single language group, the literacy rate in an LEP group and other relevant factors. The LACDA will undertake this examination when an eligible LEP group constitutes 5 percent of an eligible group of beneficiaries or potential beneficiaries (for example, 5 percent of households receiving Section 8 assistance) or 1,000 persons, whichever is less.

Documents deemed “vital” by the LACDA will be translated in to threshold languages.

In consideration of the above, the LACDA will annually assess its documents to identify any additional vital documents that need to be translated. The LACDA will then translate a portion of those documents identified every year as financially feasible. If the vital document has not been translated, the LACDA will provide the applicant or participant with oral translation.

As opportunities arise, the LACDA may work with other local public housing authorities (PHAs) to share the costs of translating common documents.

As HUD continues to translate standard housing documents in multiple languages, the LACDA will replace its translated versions with the official HUD versions.

1.15.1 Audiovisual Materials

The LACDA will make reasonable efforts to produce multiple translations of audiovisual materials it may use to inform or educate applicants, participants and

other client groups. For example, the LACDA will translate material to be presented at voucher issuance briefings into the threshold languages.

1.16 MONITORING

The LACDA will review and revise this LEP policy annually. The review will include:

- a. Reports from the LACDA's software system on the number of LEP clients. Such reports may be supplemented by staff observations.
- b. A determination as to whether 5 percent or 1,000 participants from LACDA-administered programs or persons from the waiting list speak a specific language, which triggers consideration of document translation needs as described above.
- c. Review of demographic data that indicates prevalent languages in Los Angeles County.
- d. Analysis of staff requests for formal interpreters: the number of requests, the languages requested the costs, etc.

1.17 LEP PLAN DISTRIBUTION AND TRAINING

The LACDA will ensure the LEP policy is distributed to the public and complied with by all staff by:

1. Distributing to all LACDA staff.
2. Posting on the LACDA's website at www.lacda.org.
3. Posting at the LACDA's Administrative Offices in appropriate threshold languages.
4. Including notices summarizing the rights of LEP individuals under this policy in application and reexamination packets.
5. Conducting in-depth training for staff that interacts directly with applicants and participants. All other staff will receive at least a condensed training on LEP policies and procedures.

1.18 FAMILY OUTREACH

Each time the LACDA enters into an Annual Contributions Contract (ACC) with HUD for new Section 8 existing units, it will be publicized in accordance with the specification in the criteria of the Equal Opportunity Housing Plan.

The LACDA will communicate the status of housing availability to other service providers in the community; advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

Information regarding the program directed at prospective applicants/tenants will be disseminated in accordance with Equal Opportunity Housing Plan and HUD guidelines for fair housing.

1.19 OWNER OUTREACH

[24 CFR §982.1(a)]

The LACDA encourages owners of decent, safe and sanitary housing units to lease to families participating in its rental assistance programs. The LACDA maintains and regularly updates a list of interested landlords and available units for its rental assistance programs. When listings from owners are received, they are compiled by LACDA staff and made available through the phone hotline, by mail, or by Internet at www.lacda.org.

Ongoing marketing efforts to recruit suburban owners for participation include, but are not limited to:

1. Brochures for owners;
2. Realty Board presentations;
3. Apartment Owner Association presentations;
4. Community Center presentations; and
5. Presentation to organizations serving the disabled and other similar organizations.

The LACDA periodically evaluates the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. Special outreach efforts will be used in order to encourage participation of those groups who would not normally apply or participate.

1.20 PRIVACY RIGHTS

[24 CFR §5.212]

Applicants and participants, including all adults in each household, are required to sign the HUD-9886 Form (Authorization for the Release of Information). This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

A statement of the LACDA's policy on release of information to prospective landlords will be included in the briefing packet that is provided to the family.

The LACDA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files are stored in a secure location that is only to be accessed by authorized staff.

LACDA staff will not discuss family information contained in files unless there is a business or legal reason to do so. Inappropriate discussion of family information or improper disclosure of family information will result in disciplinary action.

1.21 **MONITORING PROGRAM PERFORMANCE**

[24 CFR §985]

In order to ensure quality control, supervisory staff will review the following functions:

1. At Least 10 percent of all work completed by their staff, and
2. 100 percent of work completed by new staff for a minimum of 30 calendar days.

The LACDA's Quality Assurance Unit conducts audits of:

1. 5 percent of annual re-examinations/interim re-examinations, and
2. Minimum Housing Quality Standards (HQS) quality control inspections as dictated by Section 8 Management Assessment Program (SEMAP) Indicator #5.

The LACDA's Program Enforcement/Investigations Unit uses credit checks, and other similar tools to ensure program integrity, on a case-by-case basis.

1.22 **TERMINOLOGY**

[24 CFR §982.4(b); §5.100 §5.2003 and §8.3; and Cal. Gov. Code 12926]

- **“Affiliated Individual”** is defined to mean with respect to an individual,
 - A spouse, parent, brother, sister, or child of that individual, or a person whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
 - Any individual, tenant, or lawful occupant living in the household of that individual.
- **“Bifurcate”** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.
- **“Covered Person”** is defined as a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
- **“Covered Housing Provider”** refers to the individual or entity under a covered housing program, and as defined by each program in its regulation, that has responsibility for the administration and/or oversight of VAWA protections and includes PHAs, sponsors, owners, mortgagors, managers, State and local governments or agencies thereof, nonprofit or for-profit organizations or entities.
- **“Dating Violence”** is defined as violence committed by a person:

- Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - Type of relationship; and
 - Frequency of interaction between persons involved in the relationship.
- **“Domestic Violence”** is defined as felony or misdemeanor crimes of violence committed by:
 - A current or former spouse or intimate partner of the victim;
 - A person with whom the victim shares a child in common;
 - A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
 - A person similarly situated to a spouse of the victim under local and state domestic or family violence laws;
 - Any other person against an adult or youth victim who is protected from that person’s acts under local and state domestic or family violence laws.

The term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

- **“Elderly family”** means a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aids.
- **“Family”** refers to a single person or group of persons, who may include an elderly person(s), displaced person(s), disabled person(s), near-elderly person(s) or any other single person(s), or the remaining members of a tenant family; and is used interchangeably with “applicant” or “participant” and can refer to a single person family. “Tenant” refers to participants in terms of their relation to landlords See section 2.3 for full definition.
- **“Financial Aid”** means any assistance that an individual receives:
 - Under the Higher Education Act of 1965;
 - From private sources;
 - From an institute of higher education.

Such financial aid may include federal, state, and local grants and scholarships (athletic and academic), fellowships and student educational financial assistance from parents, guardians, or other persons residing outside of the student family household.

Types of financial aid under the Higher Education Act of 1965 would include: the Pell Grant, the Federal Supplemental Education Opportunity Grant (FSEOG), Academic Achievement Incentive Scholarships, State assistance under the Leveraging Educational Assistance Partnerships Program, the Robert C. Byrd Honors Scholarship Program, and federal Work-Study (FWS) programs.

- **“Gender expression”** – means a person’s gender-related appearance or behavior, or the perception of such appearance or behavior, whether or not stereotypically associated with the person’s sex assigned at birth. (Cal. Gov. Code §12926(q)(C)(2))

- **“Gender identity”** - means the gender with which a person identifies, regardless of the sex assigned to that person at birth and regardless of the person’s perceived gender identity. Perceived gender identity means the gender with which a person is perceived to identify based on that person’s appearance, behavior, expression, other gender related characteristics, or sex assigned to the individual at birth or identified in documents.

- **“Genetic Information”** - means, with respect to any individual, information about any of the following (Cal. Gov. Code §12926(g)(1)):
 - i. The individual’s genetic tests;
 - ii. The genetic tests of family members of the individual;
 - iii. The manifestation of a disease or disorder in family members of the individual.

- **“Guest”** is defined as any person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

- **“Illegal Drugs”** are defined as any controlled substance, in any amount, as defined by the United States Code, Title 21, section 802, including but not limited to narcotics, amphetamines, hallucinogens, cocaine, marijuana, medical marijuana, designer drugs, or other intoxicants. This definition also specifically includes over the counter medications used in the manufacture of illegal drugs or for the purposes of becoming intoxicated, and pharmaceutical medications which are used either without being prescribed by a licensed physician or in excess of the amount prescribed by a physician for the purposes of becoming intoxicated.

- **“Independent Student Status”** is when the income of the student’s parents is not relevant or the student can demonstrate the absence of, or his or her independence from, parents. These criteria include but are not limited to the following:
 - The individual is 24 years of age or older by December 31 of the award year;
 - The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;

- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
 - The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;
 - The individual is a graduate or professional student;
 - The individual is a married individual;
 - The individual has legal dependents other than a spouse;
 - The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42 U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-supporting, by—
 - (i) A local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;
 - (ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
 - (iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
 - (iv) a financial aid administrator; or
 - (v) The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.
- **“Juvenile Records”** means:
 - All documents filed in a juvenile court case.
 - All reports to the court prepared by probation officers, social workers, health care providers, court-appointed special advocate (“CASA”) volunteers, and other professionals that work with the child.
 - All documents made available to probation officers, social workers and CASA volunteers, in preparation of reports to the court, including, but not limited to, police reports, evaluations from counselors, evaluations from therapists, medical records, hospital records, and school records.
 - All documents, maintained in the office files of probation officers, social workers of child welfare service programs, and CASA volunteers that involve a child for whom a petition to declare a child a ward or dependent of the court has been filed.

- Transcripts, records, or reports relating to matters prepared or released by the court, probation department or child welfare service program.
 - All documents, video or audio tapes, photographs and other evidence admitted into evidence at juvenile court hearings.
 - All documents relating to juvenile contacts or investigations that are maintained by law enforcement agency, probation department, or Department of Family Services, which are part of the juvenile case file even if juvenile court proceedings have not been initiated.
- **“Landlord”** and **“owner”** are used interchangeably.
 - **“Other person under the tenant’s control”** is defined as a person, although not staying as a guest (as defined above) in the unit, is, or was at the time of activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily or infrequently on the premises solely for legitimate commercial purposes is not under the tenant’s control.
 - **“Person with a Disability”** or **“People with Disabilities”** refers to a person who has a physical or mental impairment that limits one or more major life activities such as caring for oneself, manual tasks, walking, seeing, hearing, speaking, breathing or learning; has a record of such impairment; or is regarded as having such an impairment, and includes all people covered by either federal or state law.
 - **“Sex”** also includes, but is not limited to, a person’s gender. “Gender” means sex, and includes a person’s gender identity and gender expression. “Gender expression” means a person’s gender-related appearance and behavior whether or not stereotypically associated with the person’s assigned sex at birth. (Cal. Gov. Code §12926(r)(2))
 - **“Sexual Assault”** is defined as any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
 - **“Sexual orientation”** - means one’s emotional or physical attraction to the same and/or opposite sex (e.g., homosexuality heterosexuality, or bisexuality).
 - **“Stalking”** is defined:
 - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; or
 - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause serious emotional harm to that person, the spouse or intimate partner of that person, or a member of the immediate family of that person.

- **“Student”** is defined to mean all students enrolled either full-time or part-time at an institution of higher education.
- **“Tuition”** is defined as the amount of money charged per term, per course, or per credit. Tuition may include fees, which represents the amount covering a full academic most frequently charged to students. Required fees include all fixed sum charges that are required of such a large proportion of all students that the student who does not pay the charges is an exception.
- **“Zero Income Family”** is when a family reports to have no source of income, which includes “excluded income” such as foster care. A family that receives income such as child support and/or family support is not considered to have a zero income status.

CHAPTER 2: ADMISSION ELIGIBILITY FACTORS AND APPLICANT REQUIREMENTS

2.1 INTRODUCTION

[24 CFR §982.54(d)]

This chapter defines the criteria used by the LACDA to determine program eligibility, and the requirements that families and family members must meet in order to receive assistance under the program. This chapter also clarifies the circumstances that may lead to a denial of admission, and the process for notifying families if they are denied admission.

Family members being added to households that are currently receiving assistance are considered new applicants and are subject to the LACDA's admission and eligibility requirements.

The intent of these policies is to maintain consistency and objectivity in evaluating the eligibility of families who apply for the programs. The criteria listed in this chapter are the only factors used to review eligibility, to minimize the possibility of bias or discrimination. Selection shall be made without regard to race, color, sex, religion, gender, gender identity and expression, family status, national origin, marital status, ancestry, age, sexual orientation, disability, source of income, medical condition, military and veteran status, genetic information, arbitrary characteristics, or any other basis prohibited by law.

2.2 ELIGIBILITY FACTORS AND REQUIREMENTS

[24 CFR §982.201 and 24 CFR §982.552]

In accordance with HUD regulations, the LACDA has established the following eligibility criteria, which are detailed throughout this chapter. To be eligible for admission, an applicant family must:

1. Meet the definition of a "family;"
2. Be within the appropriate income limits;
3. Be a citizen, or a non-citizen with eligible immigration status [24 CFR §5.508]; and
4. Furnish and verify valid Social Security numbers for all family members [24 CFR §5.216].

The LACDA will also deny admission as follows:

1. If applicant fails to submit required consent forms, or any other LACDA-required information to verify family eligibility, composition, or income (including birth certificates and valid state identification);
2. If applicant is in violation of other criteria listed in Section 2.8 of this chapter;
3. If the applicant is a member, officer or employee of the LACDA who formulates policy or influences decisions with respect to federally funded

rental assistance programs or a public official or a member of the local governing body or member of Congress; or

4. If applicant is a student enrolled in an institution of higher learning and meets all the criteria listed in Section 2.5 of this chapter.

The LACDA's procedures regarding notification and informal reviews for applicants who are denied assistance can be found at the end of this chapter.

2.3 FAMILY COMPOSITION

[24 CFR §982.201(c) and 24 CFR §5.403]

The applicant must qualify as a family. The LACDA defines a family as a single person or a group of persons as follows, regardless of actual or perceived sexual orientation, gender identity, or marital status.

1. **An elderly family:** A family whose head, co-head, spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.
2. **A disabled family:** A family whose head, co-head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
3. **The remaining member of a tenant family:** The remaining member of a tenant family will be reassigned another bedroom size voucher, provided there is funding available.

The remaining member of a tenant family does not include a live-in aide of the former family whose service was necessary to care for the well-being of an elderly, disabled or handicapped head of household, co-head, or spouse and whose income was not included for eligibility purposes.

4. **A group of persons:** Two or more persons sharing residency, who are not categorized as an elderly or disabled family, whose income and resources are available to meet family needs.
5. **A single person:** A person who lives alone, or intends to live alone, who is not categorized as elderly, disabled, or the remaining member of a tenant family.

A child who is temporarily away from home due to placement in foster care is considered a member of the family.

2.3.1 Head of Household

[24 CFR §5.504]

The head of household is considered to be the adult member of the household who is designated by the family or the LACDA as head, is wholly or partly responsible for paying the rent, to sign program-related documents, and has the legal capacity to enter into a lease under State/local law. However, since rental

assistance is provided to the entire family, it is expected that every family member will uphold the LACDA's rules and regulations. Emancipated minors who qualify under State law will be recognized as head of household.

2.3.2 Spouse of Head

Spouse means the husband or wife of the head of household. The marriage partner who, in order to dissolve the relationship would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

2.3.3 Co-Head

A co-head is an individual in the household who is equally responsible for the lease with the head of household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

2.3.4 Live-In Aides

[24 CFR §982.316 and 24 CFR §5.403]

A family may include a live-in aide if the live-in aide meets the following stipulations. The live-in aide:

1. Is determined by the LACDA to be essential to the care and well-being of an elderly person or a person with a disability;
2. Is not obligated for the support of the person(s);
3. Would not be living in the unit except to provide care for the person(s); and
4. Must submit a signed Criminal Background Consent Form.

Note: Occasional, intermittent, multiple or rotating care givers do not meet the definition of a live-in aide. Live-in aides must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards. An additional bedroom should not be approved for these caregivers, except when the family's composition or circumstances warrant the provision of an extra bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit.

A live-in aide is different from a family member in the following:

1. An aide's income will not be used to determine eligibility of family;
2. An aide is not subject to citizenship/eligible immigrant requirements;
3. An aide is not considered a remaining member of the tenant family, which means that they are not entitled to retain the voucher if the eligible family member(s) voluntarily leave the program, are terminated from the program, or have a voucher that expires.

Relatives are not automatically excluded from being live-in aides, but they must meet all the stipulations in the live-in aide definition described above to qualify for the income exclusion as a live-in aide.

A relative who does not qualify for income exclusion as a live-in aide may qualify for other exclusions, including if a family receives income from a state agency to offset the cost of services and equipment needed to keep a developmentally disabled family member at home. For a complete list of income exclusions, refer to Section 6.4 (Income Inclusions and Exclusions).

A live-in aide may only reside in the unit with the approval of the LACDA. The LACDA will require written verification from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, and/or disabled. The verification must include the hours of care that will be provided.

The live-in aide will be subject to a criminal background check and must meet the same standard as an applicant. Please see Section 2.8 (Screening for Drug Abuse and Other Criminal Activity) for more information.

With authorization from the assisted family, the landlord and the LACDA, a live-in aide may have a family member live in the assisted unit as long as it does not create overcrowding in the unit. The LACDA will not increase the family's subsidy to accommodate the family of a live-in aide.

2.3.5 Changes to the Household Prior to Program Admission

The LACDA may only transfer Head of household status to a person listed on the waiting list or application as spouse or co-head under the following circumstances:

In the event of the death of the head of household, a person already listed as the Spouse or Co-Head on the waiting list or application may request a change of the Head of Household status by submitting a signed, written request along with a copy of the death certificate of the original head of household.

In all other cases (including but not limited to divorce, separation, abandonment, medical incapacity) the head of Household status will be changed only when the original Head of Household submits to the LACDA a written release of the application to the Spouse or Co-Head, or if the Spouse or Co-Head requesting a transfer of Head of Household status submits to the LACDA legal documentation of his/her right to the application.

2.3.6 Multiple Families in the Same Household

When families consisting of two families living together, (such as a mother and father, and a daughter with her own husband or children), apply together as a family, they will be treated as one-family unit.

2.3.7 Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51 percent of the time will be considered members of that household. If both parents on the waiting list are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

Where court orders exist and provide guidance on custody issues, the LACDA will follow the directives outline in the court documents.

2.4 INCOME LIMITATIONS

[24 CFR §982.201(b) and 24 CFR §5.603(b)]

In order to be eligible for assistance, an applicant must be:

1. An extremely low-income family (a family whose gross annual income does not exceed 30 percent of the HUD-established median income for the Los Angeles-Long Beach Primary Metropolitan Statistical Area); **or**
2. A very low-income family (a family whose gross annual income does not exceed 50 percent of the median income for the Los Angeles-Long Beach Primary Metropolitan Statistical Area).
3. A low-income family (a family whose gross annual income does not exceed 80 percent of the median income for the Los Angeles-Long Beach Primary Metropolitan Statistical Area) who meets at least one of the following criteria:
 - i. Is “continuously assisted” (meaning the applicant has been receiving assistance under a program covered by the 1937 Housing Act, i.e. public housing); or
 - ii. Is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing; or
 - iii. Qualifies for assistance as a non-purchasing family residing in a HOPE 1 or HOPE 2 project; or
 - iv. Qualifies for assistance as a non-purchasing family residing in a project subject to a resident homeownership program under 24 CFR §248.101.

As required by HUD regulations, 75 percent of all new admissions will be required to meet the definition of an extremely low-income family. To achieve the required balance, it may be necessary to skip over an otherwise eligible family. If this occurs, families that have been skipped over will retain the time and date of application and will be admitted as soon as an appropriate opening becomes available.

Families whose annual incomes exceed the income limit will be denied admission and offered an informal review.

2.4.1 Income Limits for Other Programs

Periodically, HUD has provided funding to the LACDA for projects involving preservation opt-outs and/or the expiration of a project based Section 8 contract. HUD provides the income limits applicable to those projects through specific regulation. The LACDA will follow HUD directives in determining admissions for such programs.

2.5 **ELIGIBILITY OF STUDENTS**

[24 CFR §5.612]

The student rule applies to all individuals enrolled as a full or part-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential, except for a student who is living with his/her parents who are applying for or receiving section 8 assistance.

No assistance shall be provided to any individual that meets the following criteria:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002);
- Is under 24 years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child;
- Is not a person with disabilities, as such term is defined in section 3(b)(3)(F) of the United States Housing Act of 1937 and was not receiving assistance under such section 8 as of November 30, 2005; and
- Is not otherwise individually eligible (determined independent from his or her parents. See section 1.22 Terminology, Independent Student Status definition), or has parents, who individually or jointly, are not eligible on the basis of income to receive assistance.

Unless the student is determined independent from his or her parents, the eligibility of a student seeking assistance will be based on both the student and the parents being determined income eligible for assistance or whether the student's parents, individually or jointly, are income eligible for assistance. Both the student's income and the parents' income must be separately assessed for income eligibility.

2.6 **CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS**

[24 CFR §982.201(a) and §5.508]

Eligibility for assistance is contingent upon a family's submission of evidence of citizenship or eligible immigration status. In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Each family member, regardless of age, must submit a signed declaration of U.S. citizenship or eligible immigration status. The LACDA may request verification of the declaration according to verification guidelines detailed in Chapter 7.

The citizenship/eligible immigration status of each member of the family is considered individually before the family's status is defined.

This requirement does not apply to foster children or live-in aides.

2.6.1 Mixed Families

[24 CFR §5.504]

An applicant family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. A family that includes eligible and ineligible individuals is called a “mixed family.” Mixed family applicants will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

2.6.2 No Eligible Members

[24 CFR §982.552(b)(4)]

The LACDA is required to deny admission if no member of the family is a U.S. citizen or eligible immigrant. Families will be provided the opportunity to appeal the decision in an informal review.

2.7 SOCIAL SECURITY NUMBER VERIFICATION REQUIREMENTS

[24 CFR §5.216(a)]

Applicant families are required to provide verification of Social Security numbers for all family members prior to admission. If the applicant family is unable to comply with this requirement, they may retain their place on the waiting list but cannot become a participant until it can provide Social Security numbers for each member of the household.

If a child under the age of 6 years was added to the applicant household within the 6-month period prior to voucher issuance, the applicant may become a participant, so long as Social Security number verification is provided within 90-calendar days from the date of admission (HAP effective date). One additional 90-day extension must be granted, if the PHA determines (in its discretion) that the delay in providing verification is a result of uncontrollable circumstances.

The social security number verification requirement also applies to persons joining the family after the admission to the program.

The following individuals are exempt from the Social Security requirement:

- Individuals that were 62 years of age as of January 31, 2010 and that were determined eligible for the program on or before that date.
- Individuals not contending eligible immigration status.

Families who refuse to furnish verification of Social Security numbers will be denied admission to the program.

2.8 DENIALS OF ASSISTANCE

[24 CFR §982.552 – §982.553]

This section includes HUD-required mandatory screening standards that lead to the denial of assistance, as well as discretionary standards allowed by HUD to deny assistance.

These guidelines apply to applicant families, and new members being added to the household of a family currently participating in a rental assistance program administered by the LACDA. The LACDA also screens families transferring under

the portability option into its jurisdiction from other housing authorities, as authorized at 24 CFR §982.355(c)(9) and §982.355(c)(10).

2.8.1 Mandatory Denial of Assistance

[24 CFR §982.553(a)]

HUD regulations requires that the LACDA deny assistance in the following cases:

1. Any member of the household has been evicted from federally assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to the eviction no longer exists (e.g. the person involved in the criminal activity no longer lives in the household).

As permitted by HUD, the LACDA will make an exception under the following circumstances:

- If the LACDA is able to verify that the household member who engaged in the criminal activity has successfully completed a supervised drug rehabilitation program after the date of the eviction.
 - If the individual that committed the crime is no longer living in the household.
 - If the circumstances leading to the eviction no longer exist (i.e. the individual responsible for the original eviction is imprisoned or is deceased).
2. Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
 3. The LACDA determines that any household member is currently engaging in the illegal use of a drug.
 4. The LACDA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
 5. Applicant(s) subject to a lifetime sex offender registration requirement.

The LACDA is required to deny admission if the applicant or any household member is subject to lifetime registration as a sex offender under a state registration program, regardless of longevity of conviction or completion of any rehabilitative program.

2.8.2 Other Permitted Reasons for Denial of Assistance

The LACDA has the discretion to apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. Criminal Activity [24 CFR §982.553(a)(2)(ii)]

HUD permits, but does not require, the LACDA to deny assistance if the LACDA determines that any household member is currently engaging in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

For Fiscal Year 2017-2018, the LACDA removed its discretionary Criminal Activity prohibitions permitted under 24 CFR 982.553 and deleted them from this section. The LACDA will reevaluate this policy to be consistent with Board adopted revisions to the LACDA's Homeless preference.

2. Previous Behavior in Assisted Housing [24 CFR §982.552(c)]

HUD authorizes the LACDA to deny assistance based on the family's previous behavior in assisted housing. The LACDA will screen applicants for the following behaviors as follows:

- The family, or any household member, must not have violated any family obligations during a previous participation in a federally assisted housing program. The LACDA will review situations, on a case-by-case basis, for violations that occurred in the last 12 months.
- The family, or any household member, must not have engaged in serious lease violations while a resident of federally assisted housing or within the past 5 years had been evicted from a federally assisted housing program.
- The family, or any household member, must not be a past participant of any Section 8 or public housing program who has failed to satisfy liability for rent, damages or other amounts to the LACDA or another public housing agency, including amounts paid under a HAP contract to an owner for rent, damages, or other amounts owed by the family under the lease.

On a case-by-case basis, the LACDA will consider the nature of the debt and the amount of the debt. The LACDA may provide the applicant the opportunity to repay any such debt in full as a condition of admissions. The LACDA will not enter into a repayment agreement for this purpose.

- No family household member may have engaged in or threaten abusive or violent behavior toward LACDA personnel.

“Abusive or violent behavior” includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for denial of admission.

“Threatening” refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for denial.

- The family, or any household member, must not supply false, inaccurate or incomplete information on any application for federal housing programs, including public housing and Section 8. The family

may be denied for a period not to exceed 2 years from the date of such a determination by the LACDA that information which was provided was false, inaccurate or incomplete, provided that no further cause for denial exists [24 CFR §982.552(c)(2)(i)].

- The LACDA will deny admission if the applicant or any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program. The LACDA may make an exception in determining admission if the family member(s) who participated or were culpable for the action do not reside in the assisted unit.
- The LACDA will not deny admission to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program.

2.8.3 Consideration of Circumstances

[24 CFR §982.553(C)(2)]

HUD authorizes the LACDA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory.

When considering the circumstances of the case, the LACDA will consider the following factors prior to making its decision:

- The seriousness of the case, especially with respect to how it would affect other residents.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault or stalking.
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully. The LACDA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

2.8.4 Criminal Background Checks

[24 CFR §982.552 – §982.553, §5.903 – §5.905]

The LACDA requests a criminal background check for all applicant household members (including live-in aides) 18 years of age and older. The criminal background check is used as a factor in screening applicants for criminal activities that would prohibit admission to the LACDA's Section 8 rental assistance programs.

All adult members of an applicant household must submit a signed Criminal Background Consent Form [24 CFR §5.903(b)], authorizing the release of criminal

conviction records from law enforcement agencies. Failure to sign the consent form will result in the denial of assistance.

The LACDA is additionally authorized by HUD to obtain access to sex offender registration information, in order to prevent program admission to any household member (including live-in aides and minors) subject to a lifetime sex offender registration under a State sex offender registration program.

2.8.5 Requests for Criminal Records by Owners of Covered Housing for the Purposes of Screening

[24 CFR §5.903(d)]

Owners of covered housing may request that the LACDA obtain criminal records, on their behalf, for the purpose of screening applicants. The LACDA will charge a fee in order to cover costs associated with the review of criminal records. These costs could include fees charged to the LACDA by the law enforcement agency and the LACDA's own related staff and administrative cost.

Owners must submit the following items in order for the LACDA to process criminal records. Owner requests must include:

1. A copy of a signed consent form from each adult household members, age 18 years and older. Included in the consent form must be a legible name, the date of birth, a California Identification Number, and a Social Security number. This information will be used for the sole purpose of distinguishing persons with similar names or birth dates.
2. An owner's criteria or standards for prohibiting admission of drug criminals in accordance with HUD regulations (§ 5.854 of 24 CFR Parts 5 et al.), and for prohibiting admission of other criminals (§ 5.855 of 24 CFR Parts 5 et al.).

Once the LACDA obtains criminal records, a determination will be made as to whether a criminal act, as shown by a criminal record, can be used as a basis for applicant screening. The LACDA will base its determination in accordance with HUD regulations and the owner criteria. If the owner's criteria conflicts with HUD regulations, the regulations will have precedence.

It is important to note that the LACDA will not disclose the applicant's criminal conviction record or the content of that record to the owner.

2.8.6 Request for Criminal Records by Section 8 Project-Based Owners for the Purposes of Lease Enforcement or Eviction

Section 8 project-based owners may request that the public housing agency in the location of the project obtain criminal conviction records of a household member on behalf of the owner for the purpose of lease enforcement or eviction. The owner's request must include the following:

1. A copy of the consent form, signed by the household member, and
2. The owner's standards for lease enforcement and evicting due to criminal activity by members of a household.

2.8.7 Confidentiality of Criminal Records

[24 CFR §5.903(g)]

Criminal records received by the LACDA are maintained confidentially, not misused, nor improperly disseminated and kept locked during non-business hours. All criminal records will be destroyed no later than 30 calendar days after a final determination is made.

2.8.8 Disclosure of Criminal Records to Family

The applicant or family member requesting to be added to the household will be provided with a copy of the criminal record upon request and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal review. Participants may contest such records at an informal hearing [24 CFR §982.553(d)].

2.8.9 Explanations and Terms

[24 CFR §5.100]

The following terms are used to determine eligibility when an applicant or a family member is added to an already assisted household and is undergoing a criminal background check.

- **“Covered housing”** includes public housing, project-based assistance under Section 8 (including new construction and substantial rehabilitation projects), and tenant-based assistance under Section 8.
- **“Drug”** means a controlled substance as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).
- **“Drug-related criminal activity”** means the illegal manufacture, dispensation, distribution, sale, use or possession of illegal drugs, with the intent to manufacture, dispense, distribute, sell or use the drug.
- **“Pattern”** is defined as the use of a controlled substance or alcohol if there is more than one incident during the previous 12 months. “Incident” includes but is not limited to arrests, convictions, no contest pleas, fines, and city ordinance violations.
- **“Premises”** is the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.
- **“Sufficient evidence”** may include all or a number of personal certification along with supporting documentation from the following sources 1) probation officer; 2) landlord; 3) neighbors; 4) social service workers; 5) review of verified criminal records.
- **“Violent criminal activity”** any activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage. (24 CFR §5.100)

2.9 SUITABILITY OF FAMILY

[24 CFR §982.307(a)(2)]

The LACDA may take into consideration any admission criteria listed in this chapter in order to screen applicants for program eligibility; however, it is the owner's responsibility to screen applicants for family behavior and suitability for tenancy.

The LACDA will assist and advise applicants on how to file a complaint if they have been discriminated against by an owner.

2.10 DENYING ADMISSION TO INELIGIBLE FAMILIES

[24 CFR §982.201(f)(1) and §982.552(a)(2)]

Denial of assistance for an applicant family may include denying placement on the waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; and refusing to process or provide assistance under portability procedures.

Families from the waiting list who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review if they do not agree with the decision. This policy also applies to incoming families from other housing authorities that have not yet received assistance in the LACDA's jurisdiction. Please refer to Chapter 16 for more information on the informal review process.

2.11 PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING.

[24 CFR Part 5, Subpart L]

The Violence against Women Reauthorization Act of 2005 and 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

VAWA protections cover applicants when they are applying for admission to a covered housing program. VAWA protections are not limited to women. Victims of domestic violence, dating violence, sexual assault, or stalking are eligible without regard to sex, gender identity, or sexual orientation. Victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age and HUD programs must also operate consistently with HUD's Equal Access Rule, which requires that HUD assisted programs are made available to all otherwise eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status.

2.11.1 Determining Eligibility for VAWA Protections

VAWA prohibits housing providers from denying assistance or admission, terminating participation in, or evicting a tenant based on an adverse factor, if the adverse factor is determined to be a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

An adverse factor refers to any factor that can be used as a basis for denying admission, terminating assistance, or evicting a tenant. However, if a denial or termination of assistance or eviction is required by a federal statute, based on a particular adverse factor, the LACDA must comply with that statute, even if the adverse factor is a direct result of domestic violence, dating violence, sexual assault or stalking.

2.11.2 Notification Requirement

[24 CFR §5.2005(a)(1)(i)(ii) and §5.2005(a)(2)(i)(ii)]

The LACDA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to a unit, a prior arrest record) that would warrant denial under the LACDA's regulations and policies. Therefore, the LACDA will provide all applicants with information about VAWA at the time they are denied housing assistance and at admission, specifically at the time the applicants are briefed for a voucher. provided an application for housing assistance. The LACDA will include information about VAWA in all notices of denial of assistance.

The VAWA information provided to applicants and participants will consist of the following documents:

- Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation.
- Form HUD-5380, Notice of Occupancy Rights Under the Violence Against Women Act

2.11.3 Victim Documentation

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault or stalking must provide documentation (1) demonstrating the connection between the abuse and the unfavorable history and (2) naming the perpetrator of the abuse if safe to disclose. The documentation may consist of any of the following:

- A statement signed by the victim certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, sexual assault or stalking.
- A record of a Federal, State, tribal, territorial or local law enforcement agency (such as a police report), court, or administrative agency documenting the domestic violence, dating violence, sexual assault or stalking.

- Documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, a medical or mental health professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effect of the abuse in which the professional attests under penalty of perjury to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and that the victim of domestic violence, dating violence, sexual assault, or stalking has signed or attested to the documentation. The victim must also sign the documentation.

The LACDA reserves the right to waive the documentation requirement if it determines that a statement of other corroborating evidence from the individual will suffice.

2.11.4 Perpetrator Documentation

When the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

- A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit.
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provide or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

2.11.5 Conflicting Documentation

[24 CFR §5.2007(b)(2)]

In the case where the LACDA receives conflicting certification documents from two or more members of the household each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the LACDA will determine which is the true victim by requiring third-party documentation within 30 calendar days in order to resolve the conflict.

If the applicants fail or refuse to provide third-party documentation where there is conflicting evidence, the LACDA does not have to provide the tenant(s) with the protections contained in Form HUD-5380 "Notice of Occupancy Rights under the Violence Against Women Act".

2.11.6 Time Frame for Submitting Documentation

[24 CFR §5.2007(a)(2)]

The applicant must submit the required documentation with the request for an informal review. At the discretion of the LACDA, the 14-business day deadline

may be extended. The LACDA will postpone scheduling the applicant's informal review until after it has received the documentation or the extension period has lapsed.

If after reviewing the documentation provided by the applicant, the LACDA determines that the family is eligible for assistance, no informal review will be scheduled and the LACDA will move forward with the admission of the applicant family.

2.11.7 VAWA Confidentiality

[24 CFR §5.2007]

All VAWA information provided to the LACDA, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault or stalking, shall be retained in confidence, and will not be entered into any shared database or provided to any related entity, except to the extent that disclosure is:

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

This includes keeping confidential the new location of the dwelling unit of the participant, if one is provided, from the person(s) that committed a VAWA crime against the applicant/participant.

CHAPTER 3: ADMINISTRATION OF THE WAITING LIST

3.1 INTRODUCTION

[24 CFR §982.54(d)(1)]

This chapter describes the policies and procedures that govern the initial application, placement and denial of placement on the LACDA's waiting list. It is the LACDA's objective to ensure that the families are placed on the waiting list in the proper order so that an offer of assistance is not delayed to any family, or made to any family prematurely.

By maintaining an accurate waiting list, the LACDA will be able to perform the activities, which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

3.2 HOW TO REGISTER

Interested persons may apply online at www.lacda.org, or by calling the LACDA at (626) 262-4510 or (800) 731-4663.

3.2.1 Preliminary Registration Waiting List

[24 CFR §982.204(b)]

All families wishing to receive rental assistance through a LACDA rental assistance program are initially placed on the Preliminary Registration Waiting List. This is essentially an interest list. Families are placed on the Preliminary Registration Waiting List according to the LACDA's local preferences and then by date and time of registration. Preliminary information regarding the family's address, income, family composition, and disability status is collected. However, this information is not verified until the family is placed on the Active Waiting List. Applicants receive a confirmation letter that their name has been placed on the Preliminary Registration Waiting List.

3.2.2 Active Waiting List

When the LACDA determines that there is sufficient funding to issue additional vouchers, a pool of potential new applicants is drawn from the Preliminary Registration Waiting List. Families move onto the Active Waiting List according to the LACDA's admission policies. Once a family has been placed on the Active Waiting List, they will be asked to complete an application and provide all the necessary income and eligibility forms. At this point, all information will be confirmed through a third-party. Families must meet all admissions requirements to be issued a voucher.

3.2.3 Change in Circumstances

[24 CFR §982.204(b)]

Applicants are required to notify the LACDA in writing, within 30 calendar days, when their circumstances change, including any change of address, income or family composition.

3.2.4 Opening the Waiting List

[24 CFR §982.206(a)]

When the LACDA opens its waiting list, it will give public notice by advertising in one or more of the following newspapers, minority publications, and media entities.

- Los Angeles Times
- La Opinion
- The Daily News
- International Daily News
- L.A. Sentinel
- Press Telegram
- Eastern Group Publications
- Southwest Wave
- The Daily Breeze

The LACDA's public notice will contain:

- The dates, times, and locations where families may apply;
- The programs for which applications will be taken;
- A brief description of the program(s);
- A statement that public housing residents must submit a separate application if they want to apply to a rental assistance program;
- Any limitations on who may apply; and
- The Fair Housing Logo.

The notice will provide potential applicants with information that includes the LACDA's telephone number, website address, location address, information on eligibility requirements, and the availability of local preferences, if applicable. The notice will be made in an accessible format to persons with disabilities if requested.

Additional time for submission of an application after the stated deadline will be given as a reasonable accommodation at the request of a person with a disability.

3.2.5 Criteria Defining Who May Apply

[24 CFR §982.206(b)(1)]

Upon opening the waiting list, the LACDA will disclose the criteria defining what families may apply for assistance under a public notice.

3.2.6 Closing the Waiting List

[24 CFR §982.206(c)]

When the LACDA closes the waiting list, the same advertising methods described above will be used.

Notification of impending closure will be provided to the public for a minimum of 30 calendar days.

3.3 TIME OF SELECTION

[24 CFR §982.204(d)]

When funding is available, families will be selected from the waiting list based on the LACDA's admission policies.

If the LACDA ever has insufficient funds to subsidize the unit size of the family at the top of the waiting list, the LACDA will not admit any other applicant until funding is available for the first applicant.

However, families may be skipped over to meet HUD-mandated income targeting requirements [24 CFR §982.201(b)]. See Section 2.4 (Income Limitations) for details.

3.4 CROSS-LISTING OF PUBLIC HOUSING AND SECTION 8 WAITING LISTS

[24 CFR §982.205(a)]

The LACDA does not merge the waiting lists for public housing and Section 8. However, if the Section 8 waiting list is open when the applicant is placed on the public housing list, the LACDA must offer to place the family on the Section 8 waiting list. If the public housing waiting list is open at the time an applicant applies for Section 8 rental assistance, the LACDA must offer to place the family on the public housing waiting list.

3.5 PURGING THE WAITING LIST

[24 CFR §982.204(c)]

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

When the LACDA is actively conducting outreach to applicants on the waiting list, the notification of available housing opportunities will serve as verification and will be used to purge the waiting list.

To update the waiting list, the LACDA will send an notice of update request via first class mail to a select amount or to all families on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. The notice of update request will be sent to the last address that the LACDA has on record for the family. The notice of update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in accordance with LACDA's prescribed method. Methods will include but are not limited to, responses required via logging in and providing updates through LACDA's Applicant Registration Portal or by providing updates in writing. Responses in writing will require that the response be made via delivery in person, by mail, or by fax. Responses should be postmarked or received by the LACDA no later than 21 calendar days from the date of the LACDA notification.

If the family fails to respond within the time allotted, the family will be removed from the waiting list without further notice.

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

If the notice is returned by the post office with a forwarding address, the notice will be resent to the address indicated. The family will have 21 calendar days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the Director of the Housing Assistance Division or designee may reinstate the family if it is determined that the lack of response was due to an administrative error, or to extenuating circumstances that are beyond the family's control. The family must be able to provide documentation of the circumstances for a decision to be rendered.

The decision to withdraw an applicant family that includes a person with a disability from the waiting list is subject to reasonable accommodation. If it is found that the applicant did not respond to the LACDA request for information or updates, and the LACDA determines that the family did not respond because of the family member's disability, the LACDA must reinstate the applicant family to their former position on the waiting list.

3.5.1 Removing Applicants from the Waiting List

[24 CFR §982.204(c) and §982.201(f)(1)]

The LACDA is authorized to remove names of applicants that do not respond to requests for information or updates. The LACDA will remove an applicant's name from the waiting list when:

- The applicant does not notify the LACDA of changes in circumstances in accordance with section 3.2.3 of this plan. This includes undeliverable mail received by the Postal Service which is returned to the LACDA;
- The applicant falsifies documents or makes false statements for any reason;
- The applicant requests in writing that their name be removed; or
- The applicant does not meet either the eligibility or screening criteria for the program (see Chapter 2 and Chapter 4).

If a family is removed from the waiting list because the LACDA has determined the family is not eligible for assistance, a notice will be sent to the family's address on record. The notice will state the reason the family was removed from the waiting list and will inform the family how to request an informal review (Chapter 16).

3.6 APPLICATION POOL

The waiting list will be maintained in accordance with the following guidelines:

1. The application will be a permanent file;
2. Applications equal in preference will be maintained by date and time; and
3. All applicants must meet eligibility requirements outlined in Chapter 2 (Admission Eligibility Factors and Applicant Requirements).

CHAPTER 4: ADMISSION PROCESS

4.1 INTRODUCTION

The policies outlined in this chapter are intended to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply. The primary purpose of the intake function is to gather information about the family so that an accurate, fair, and timely decision relative to the family's eligibility may be made. As such, applicants are placed on the waiting list in accordance with this plan.

4.2 APPLICATION PROCEDURES

[24 CFR §982.204(c)]

Once the applicant is transferred from the Preliminary Registration Waiting List to the Active Waiting List, an application will be mailed to the applicant. The application is due back within 21 calendar days from the date it was mailed. If the application is returned undeliverable, the applicant will be cancelled from the waiting list (see section 3.7 for examples of exceptions to this rule).

Once an application is returned, the information provided by the applicant will be used to determine if the applicant is eligible for the program and any admissions preferences claimed.

If an applicant is ineligible based on the information provided on the application, or because they fail to return the documents by the due date, the applicant will be provided written notice of the reason for their disqualification and of their right to appeal the decision by requesting an informal review.

The application may capture the following information:

- Name of adult members and age of all members;
- Sex and relationship of all members;
- Street address and phone number;
- Mailing address;
- Amount(s) and source(s) of income received by household members;
- Information regarding disabilities relating to program requirements;
- Information related to qualification for preference(s);
- Social Security numbers;
- Race/ethnicity;
- Citizenship/eligible immigration status;
- Convictions for drug-related or violent criminal activity;
- Request for specific reasonable accommodation(s) needed to fully utilize program and services;

- Previous address;
- Current and previous landlords' names and addresses;
- Emergency contact person and address; and
- Program integrity questions regarding previous participation in HUD programs.

Applicants are required to inform the LACDA in writing within 30 calendar days of effective date of any changes in family composition, income, and address, as well as any changes in their preference status. Applicants must also comply with requests from the LACDA to update information. However, exceptions to this requirement may be found in section 3.7.

4.2.1 Interview Sessions/Mailings

The LACDA may use both mailing and interview sessions to obtain income, asset and family composition information from applicants.

4.2.2 Request for Information via Mail

During times of high activity, the LACDA will mail income and asset forms or an application to applicants. Applicants will be given 21 calendar days to complete and return all required forms. If forms are not returned in a timely manner, the applicant will receive a final notice. The final notice will provide an additional 15-day grace period. If the required forms are not returned, as specified, the application will be cancelled. The LACDA will provide additional time as a reasonable accommodation and in special circumstances such as an illness and/or death in the family.

4.2.3 Application Interview Process

During times for regular activity (average volume), the LACDA utilizes a full application interview to discuss the family's circumstances in greater detail, to clarify information that has been provided by the applicant, and to ensure that the information is complete.

Applicants are given two opportunities to attend an interview session. If the applicant does not respond to the second invitation, the application is cancelled. The LACDA will allow for a third interview appointment as a reasonable accommodation and in special circumstances such as illness. An applicant may also request that the LACDA assign someone to conduct the interview at the applicant's home, as a reasonable accommodation.

All applicants must complete the following requirements [24 CFR §982.551(b)(1)].

1. At minimum, the head of household must attend the interview. The LACDA requests that all adult members of the applicant family attend when possible. This assures that all members receive information regarding their obligations and allows the LACDA to obtain signatures on critical documents quicker.

2. All adult members of the applicant family must sign the HUD-9886 Form (Authorization for the Release of Information), and all supplemental forms required by LACDA.
3. Citizen declaration forms must be completed for all applicant family members, regardless of age.
4. All adult members of the applicant family must complete and sign a Criminal Background Consent/Acknowledgment Form.
5. Identification information for all members of the applicant family such as birth certificates, valid driver's licenses or State (Department of Motor Vehicles) ID cards, whichever is applicable based on the age of the family member, must be submitted for all members of the household regardless of age.

Information provided by the applicant will be verified, including citizenship status, full-time student status and other factors related to preferences, eligibility and rent calculation. Verifications must be received no more than 60 calendar days before the time of issuance.

If they are requested, exceptions for any of the above listed items will be reviewed on a case-by-case basis. Exceptions will be granted based upon hardship. Reasonable accommodations will be made for persons with disabilities. In these cases, a designee will be allowed to provide some information, but only with permission of the person with a disability.

Under both processes, all local preferences claimed on the application while the family is on the waiting list will be verified. Preference is based on current status, so the qualifications for preference must exist at the time the preference is verified, regardless of the length of time an applicant has been on the waiting list.

4.2.4 Secondary Reviews/Credit Reports

[24 CFR §982.551(b)(1)]

The LACDA may retrieve credit reports for applicants and participants on a case-by-case basis. The information contained in the credit report will be used to confirm the information provided by the family. Specifically, the credit report will be used to confirm:

- **Employment**: A credit report will list any employers that the applicant has listed in any recent credit applications. If the credit report reveals employment, for any adult household member, within the last 12 months that was not disclosed, the family will be asked to provide additional documents to clear up the discrepancy. Failure to disclose current employment may result in cancellation of the family's application.
- **Aliases**: A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to the LACDA, the family will be asked to provide additional evidence of the legal identity of adult family members.
- **Current and previous addresses**: A credit report can provide a history of where the family has lived. This is particularly important because the LACDA

provides a residency preference. If the family has provided one address to the LACDA and the credit report indicates a different address, the family will be asked to provide additional proof of residency. This may include a history of utility bills, bank statements, school enrollment records for children, credit card statements or other relevant documents. Failure to provide adequate proof will result in the denial of a residency preference.

- **Credit card and loan payments:** A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans and credit card payments. The LACDA will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, the LACDA will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or significantly delinquent are not included in this calculation. Failure to provide adequate proof of income will result in termination of the application.
- **Multiple Social Security numbers:** A credit report may list multiple Social Security numbers if an adult family member has used different Social Security numbers to obtain credit. If the credit report information does not match the information provided by an adult member of the family, the family member will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

A family will not be issued a voucher until all discrepancies between the information provided by the applicant family, and the information contained in the credit report have been cleared by the applicant family.

When discrepancies are found, the family will be contacted by telephone or by mail. The family will be provided 15 calendar days to provide the documentation necessary to clear discrepancy. At the family's request, and additional 15 calendar days may be granted.

The family may be granted additional time under a reasonable accommodation. If additional time is granted, the family will receive a letter confirming the new deadline.

When the credit report reveals multiple discrepancies that are not easily communicated over the telephone, the LACDA will set up a face-to-face interview with the applicant. The LACDA will schedule up to two interview appointments. An additional interview may be scheduled as a reasonable accommodation. Failure to appear at the interview session will result in cancellation of the application.

Additionally, failure to provide the necessary information will result in cancellation of the application.

4.3 SELECTION AND FUNDING SOURCES

4.3.1 Special Admission (24. CFR 982.203)

HUD may award funding for specifically-named families living in specified types of units. The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

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

In these cases, the LACDA may admit such families whether or not they are on the waiting list, and if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. The LACDA must maintain records showing that families were admitted with special program funding.

4.3.2 Targeted Funding (24 CFR 982.204(2))

HUD may award the LACDA funding for a specified category of families on the waiting list. The LACDA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the LACDA is permitted to skip families that do not qualify within the targeted category. Within this category of families, the order in which such families are assisted is determined according to the policies in Section 4.4 below.

The LACDA administers the following targeted funding programs:

- Veteran Affairs Supportive Housing (VASH) Program – VASH Program vouchers are awarded to eligible homeless veterans and their families in combination with case management and clinical services through the Department of Veterans Affairs Medical Center (VAMC) supportive services sites. The LACDA does not maintain a waiting list for the VASH Program.
- Non-Elderly Disabled (NED) Vouchers – NED vouchers are awarded to non-elderly disabled families on the HCV waiting list.
- Mainstream for Persons with a Disability- Mainstream vouchers are awarded to non-elderly disabled families on the HCV waiting list. The LACDA applies local preferences in determining the order in which Mainstream vouchers are awarded to eligible families.
- Family Unification Program (FUP) – FUP vouchers are awarded to families who are referred to the LACDA by the Los Angeles County

Department of Children and Family Services. Once referred, the LACDA places FUP applicants on its HCV waiting list.

4.4 LOCAL PREFERENCES

[24 CFR §982.207]

The LACDA is permitted to establish local preferences and to give priority to applicants that meet those criteria. All preferences will be subject to the availability of funds and all applicants will be required to meet all eligibility requirements.

In accordance with 983.260(b), the LACDA is required to give priority for continued tenant-based assistance to a project-based family that chooses to terminate their lease after the first year of occupancy, has given the owner advanced written notice of their intent to vacate, has notified the LACDA and requested to move with continued tenant-based assistance, prior to moving and only if in good standing with the Project-Based unit owner.

California State Required Priority: In accordance with California Health and Safety Code §34322.2, the LACDA will give priority to families of veterans and members of the armed forces in each of the categories below.

Local preferences are weighted highest to lowest, in the following order:

1. Families previously assisted by the LACDA whose assistance was terminated due to insufficient funding.
2. LACDA will commit 100% of expected annual voucher attrition to assist Los Angeles County-based homeless families, as follows:
 - Up to 90% of referral applications may be received from an approved Coordinated Access System and/or local service provider that assists homeless families participating in a transitional or permanent supportive housing program.
 - Up to 5% of referral applications may be received from an approved local service provider assisting homeless elderly families.
 - Up to 5% of referral applications may be received from an approved local service provider assisting homeless Transitional Aged Youth (TAY) that are enrolled in an institution of higher education.

Applicants must meet all eligibility requirements. Admission will be on a first come, first served basis and is subject to funding availability.

3. LACDA rental assistance program transfers approved by the Director for the following programs.
 - Families that are currently served by the LACDA in a Continuum of Care funded, permanent supportive housing project and no longer need supportive services to maintain housing stability. To be eligible for consideration, the current participant must be in good standing in LACDA's Continuum of Care Permanent Supportive Housing Program projects. The sponsor agency providing services to the participant family must provide written

certification that the family does not requires permanent supportive housing services to maintain housing stability.

- Youth that are currently served in the Family Unification Program (FUP) administered by the LACDA whose FUP voucher is expiring due to the 36- month statutory time limit. To be eligible for consideration, a written certification must be received from the Los Angeles County Department of Children and Family Services (DCFS) certifying that the youth will have a lack of adequate housing as a result of the expiration of FUP voucher and needs a tenant-based voucher to ensure uninterrupted housing assistance.
- Families that are currently served by the LACDA Housing Opportunities for Persons with AIDS (HOPWA) funding.

All program transfer preference applicants must meet eligibility requirements for the HCV program in accordance with HUD and this plan.

4. Families who live or work in the jurisdiction in the following categories that are subject to the approval by the Executive Director:
 - **Victims of Declared Disasters:** An admissions preference may be given to bona fide victims of declared disasters, whether due to natural calamity (e.g. earthquake), civil disturbance, or other causes recognized by the federal government. Victims must provide documentation to receive an admissions preference. Admissions preference may only be given within the allotted timeframe established by the federal government. If HUD provides specific funding, the LACDA will not exceed the allocated amount.
 - **Displacement Due to Government Actions:** Families or individuals who are certified as displaced due to the action of a federal government agency or local government agencies may be given an admissions preference.
 - **Referrals from law enforcement agencies:** The LACDA may distribute application forms and may issue a voucher to families or single persons that are referred by law enforcement agencies. The types of referrals that will be considered include, but are not limited to:
 1. Victims of domestic violence,
 2. Involuntarily displaced to avoid reprisals,
 3. Displaced due to being a victim of a hate crime, or
 4. Victims of sex trafficking.

Law enforcement referrals must be made in writing, on law enforcement agency letterhead, and signed by the requesting officer and his or her immediate supervisor. Eligibility, including background checks, will be confirmed for all members.

4. Families that are homeless and are found eligible for a Violence Against Women Act, Emergency Transfer from the LACDA's Housing Assistance Division and Housing Operations Division rental assistance programs, subject to voucher and funding availability.
5. Elderly households who live and/or work in the LACDA's jurisdiction. Elderly households must meet the definition of an elderly family and the residency requirements of Section 4.4.1.
6. **Jurisdictional Preference**: Families who live and/or work in the LACDA's jurisdiction will be admitted before families outside of the LACDA's jurisdiction.

Date and Time of Registration: Families will be selected from the waiting list based on the preferences for which they qualify, and then by date and time.

4.4.1 Verification of Preferences

[24 CFR §982.207(e)]

Residency Preference: Applicants who are residing in the LACDA's jurisdiction at the time of selection from the waiting list, or have at least one adult member who works or has been hired to work in the LACDA's jurisdiction.

- In order to verify that an applicant is a resident, the LACDA will require documentation of residency as shown by the following documents: current rent receipts, leases, utility bills, employer or agency records, school records, driver's licenses, state identification or credit reports.
- In cases where an adult member of the household works or has been hired to work in the LACDA's jurisdiction, a statement from the employer will be required.
- At the LACDA's discretion, verification of residency may also include other documents, certifications, or declarations as needed to verify that a family lives or works in the jurisdiction.

Elderly Family Preference: An elderly family is a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Veteran's Preference: Acceptable documentation regarding veteran's status will include a DD-214 (discharge documents), proof of receipt of veteran's benefits, or documentation from the Veteran's Administration.

4.4.2 Final Verification of Preferences

[24 CFR §982.207(e)]

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, the LACDA will obtain necessary verifications of preference at the interview and by third-party verification.

4.4.3 Preference Denial

If the LACDA denies a preference, the LACDA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal review. The applicant must request for an informal review in writing within 15 calendar days from the date of the notification. The request should also provide all information and documents supporting the applicant's request. If the preference denial is upheld as a result of the informal review, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

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

4.5 DENIAL OF ASSISTANCE

[24 CFR §982.204(c)(1) and §982.552]

If an application is denied due to failure to attend the initial and final interviews, or for failure to provide eligibility related information, the applicant family will be notified in writing and offered an opportunity to request an informal review. If the applicant misses two scheduled meetings, the LACDA will cancel the application and remove the applicant's name from the waiting list.

The LACDA may at any time deny program assistance to an applicant family because of actions or failure to act by members of the family such as any member of the family to sign and submit consent forms for obtaining information.

The LACDA will not deny admission of an applicant who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for admission.

4.6 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY

[24 CFR §982.301]

If the applicant family is determined to be eligible after all applicable paperwork has been reviewed, they will be invited to attend a briefing session at which time they will receive information regarding their rights and responsibilities and they will be issued a voucher. See Chapter 8 (Voucher Issuance and Briefings) for more detail information.

CHAPTER 5: SUBSIDY STANDARDS

5.1 INTRODUCTION

[24 CFR §982.402(a)]

Program regulations require that the LACDA establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. Such standards must provide for a minimum commitment of subsidy while avoiding overcrowding. The standards in determining the voucher size must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS).

This chapter lays out the factors used in determining the voucher size issued to a family initially and when there is a move to a new unit, as well as the LACDA's procedures for handling changes in family size, selection of unit size that are different from the voucher size and requests for waivers.

5.2 DETERMINATION OF VOUCHER SIZE

[24 CFR §982.402]

Subsidy standards and determination of voucher bedroom size are based upon the number of family members who will reside in the assisted dwelling unit. All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

The unit size on the voucher remains the same as long as the family composition remains the same.

As required by HUD, the LACDA's subsidy standards for determining voucher size shall provide for the smallest number of bedrooms needed to house a family without overcrowding. They will be applied consistently for all families of like size and composition, in a manner consistent with fair housing guidelines and HQS.

In accordance with HUD regulations, the unit size designated on the voucher should be assigned using the following LACDA subsidy standards, which are based on two persons per bedroom:

<u>Number of Household Members</u>	<u>Number of Bedrooms</u>
1-2	1- bedroom
3-4	2- bedroom
5-6	3- bedroom
7-8	4- bedroom
9-10	5- bedroom
11-12	6- bedroom

1. At issuance, the bedroom size assigned should not require more than two persons to occupy the same bedroom. The family may choose and live within a suitable unit in any grouping that is acceptable to the family, including using the living room for sleeping purposes.
2. Every household member is to be counted as a person in determining the family unit size [24 CFR §982.402(a)(4)-(6)]. Under this definition, household members include the unborn child of a pregnant woman; any live-in aides (approved by the LACDA to reside in the unit to care for a family member who is disabled or is at least 50 years of age); a full-time student who is away from the home attending school but who spends school recess in the unit, and a child who is temporarily away from the home because of placement in foster care. A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.

Note: An approved live-in aide is counted in determining the voucher size. Occasional, intermittent, multiple, or rotating care givers typically do not meet the definition of a live-in aide. A live-in aide must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards [24 CFR §982.402(7)]. For exceptions to this policy, please see Section 5.3 below.
3. An additional bedroom may be assigned if approved under a waiver by the LACDA (see Section 5.3 below).
4. If the family decides to move, the LACDA will issue a voucher based on the family's current composition.

5.2.1 Maximum Unit Occupancy

The maximum occupancy as determined by the LACDA is as follows:

<u>Number of Bedrooms</u>	<u>Maximum Occupancy</u>
0- bedroom	2
1- bedroom	4
2- bedroom	6
3- bedroom	8
4- bedroom	10
5- bedroom	12
6- bedroom	14

In cases where an additional person(s) joins the family and the family will continue to occupy the same rental unit, i.e. no move is involved; the LACDA will not consider the family to be over crowded if there are no more than two persons per bedroom or living/sleeping room, provided that the unit meets other HQS.

Changes to household composition must be made according to LACDA policy detailed in Section 12.5 (Changes in Family Composition).

The LACDA will not increase the family's voucher size due to additions where the family will continue to occupy the same unit, unless the family was residing in a unit larger than the voucher size. The appropriate voucher size will be applied at the annual reexamination.

If the LACDA determines that the family is overcrowded, a larger voucher will be issued to the family and the family must try to move into a larger size dwelling unit. If an acceptable unit is available for rental by the family, the LACDA must terminate the HAP contract in accordance with its terms.

5.3 OCCUPANCY STANDARDS WAIVER

[24 CFR §982.402(b)(8)]

The standards discussed above should apply to the vast majority of assisted families. However, in some cases, the LACDA may grant exceptions to the subsidy standards. Examples of possible exceptions that may be justified include but are not limited to:

1. The health of a family member.
2. A reasonable accommodation to a disability.

For households that receive approval for a live-in aide, an extra bedroom will be added to the voucher size the family qualifies for without the live-in aide.

Occasional, intermittent, multiple or rotating care givers typically do not meet the definition of a live-in aide and usually do not justify any exceptions to the subsidy standards. However, a family's composition or circumstances may warrant the provision of an extra bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit. The LACDA will consider these requests on a case-by-case basis.

Requests based on health-related reasons must be verified, in writing, by a doctor or other medical professional. The request must specify the reason for the request and how providing a larger bedroom size would improve or accommodate the medical condition.

A Unit Supervisor who has not been involved in the initial determination will review the request, any prior determination and make a decision based on the specifics of the individual case (on a case-by-case basis). After the decision is made, a letter notifying the applicant or participant of the decision regarding the waiver will be sent by the reviewing supervisor.

Requests made as a reasonable accommodation will follow the reasonable accommodation policy as outlined in sections 1.9 and 7.11.10.

To request a larger voucher size than indicated by the subsidy standards for any other reason, the family must submit a written request within 15 calendar days of the LACDA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.

5.4 EXCEPTIONS FOR FOSTER CHILDREN

[24 CFR §982.402(b)(8)]

Exceptions will be made to accommodate foster children. The Los Angeles County Department of Family and Children Services (DCFS) has very specific housing guidelines that must be met by foster families. In order to assure that foster children are able to remain with designated Section 8 foster families, the LACDA will utilize the guidelines published by the Los Angeles County DCFS, or specified in a court order, in situations involving foster children.

5.5 FLEXIBILITY OF UNIT SIZE ACTUALLY SELECTED

[24 CFR §982.402(d)]

The family may select a dwelling unit with a different size than that listed on the voucher:

- Larger than the voucher size: The LACDA shall not prohibit a family from renting an otherwise acceptable unit because it is too large for the family, provided that the rent for the unit is comparable and the family's total rent contribution (rent to the owner plus any applicable utility costs) does not exceed 40 percent of the family's adjusted monthly income (applies only if the gross rent for the unit exceeds the payment standard).
- Smaller than the voucher size: The LACDA will allow families to request a waiver to rent an otherwise acceptable unit with fewer bedrooms than the voucher size, if the unit does not exceed maximum unit occupancy requirements.

5.5.1 Calculating Assistance for a Different Unit Size

To determine the family's maximum rent subsidy, the LACDA uses the payment standard for the voucher size or the selected unit size, whichever is lower [24 CFR §982.402(c)].

The utility allowance used to calculate the gross rent is based on the lower of the voucher size or the selected unit size. The LACDA may grant a higher utility allowance as a reasonable accommodation for a disabled family member, following the policies and procedures referenced in sections 1.9.1, 1.9.2 and 7.11.10.

CHAPTER 6: DETERMINING THE TOTAL TENANT PAYMENT AND THE ABSENCE POLICY

6.1 INTRODUCTION

This chapter explains how the Total Tenant Payment (TTP) is calculated at admission and during annual re-examinations. It covers LACDA and HUD standards used to calculate income inclusions and deductions.

This chapter also provides the LACDA's definition of absence of household members and explains how the presence or absence of household members can affect the TTP.

The policies outlined in this chapter address those areas, which allow the LACDA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

6.2 INCOME DEFINITIONS

- **Total Tenant Payment (TTP)**: represents the minimum amount a family must contribute toward rent and utilities regardless of the unit selected. The TTP is the greater of:
 - 30 percent of monthly adjusted income;
 - 10 percent of monthly gross income; or
 - The LACDA's minimum rent of \$50.
- **Income**: The LACDA will include income from all sources, unless otherwise specifically exempted [24 CFR §5.609(c)] through program regulations, for the purposes of calculating the TTP. In accordance with this definition, income from all sources of each member of the household is counted.
- **Annual Income [24 CFR §5.609(a)]**: The gross amount of income anticipated to be received by the family during the 12 months after certification or re-examination. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.
- **Adjusted Income [24 CFR §5.611]**: The annual income minus any HUD allowable deductions.

6.3 INCOME DEDUCTIONS

[24 CFR §5.611(a)]

The following deductions will be applied in the TTP calculation:

- **Dependent Allowance**: \$480 each for family members (other than the head, co-head, or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled. This allowance does not apply to foster children.

- **Elderly Family or Disabled Family Allowance**: \$400 for families whose head, co-head, or spouse is 62 or over or disabled.
- **Childcare Expenses**: Deducted for children under 13, including foster children, when childcare is necessary to allow an adult member to work, search for work, or attend school (see below for details).
- **Allowable Medical Expenses**: Deducted for unreimbursed medical expenses for members of any elderly family or disabled family.
- **Disability Assistance Expenses**: Deducted for persons with disabilities if needed to enable the individual or an adult family member to work.

6.3.1 Childcare Expenses

[24 CFR §5.603(b) and 24 CFR §5.611(a)(4)]

Childcare expenses for children under 13 years of age may be deducted from annual income if they enable an adult to work, search for work, or attend school full time.

In the case of a child attending school, only care during non-school hours can be counted as childcare expenses.

Families will be given a childcare allowance based on the following guidelines:

1. **Childcare to Work**: The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
2. **Childcare to Search for Work**: Childcare expenses cannot exceed the current amount of income received.
3. **Childcare for School**: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).
4. **Amount of Expense**: The LACDA will determine local average costs as a guideline. If the hourly rate materially exceeds the guideline, the LACDA may calculate the allowance using the guideline.

6.3.2 Medical Expenses

[24 CFR §5.611(a)(3)(i)]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

The LACDA will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts.

Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses.

6.4 INCOME INCLUSIONS AND EXCLUSIONS

6.4.1 Income Inclusions

[24 CFR §5.609(b)]

The LACDA considers the following to be included in the family's annual income, as required by HUD:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from net family assets or .81% of the value of such assets based on the current passbook savings rate, as annually determined by the LACDA;
- (4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see paragraph (13) under Income Exclusions);
- (5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see paragraph (3) under Income Exclusions);
- (6) Welfare Assistance.
 - a. Welfare assistance received by the household.
 - b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.
 - c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the

welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:

- (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

Regular Contributions and Gifts [24 CFR §5.609(b)(7)]

Any contribution or gift received every 3 months or more frequently will be considered a "regular" contribution or gift from the same source. This includes payments made on behalf of the family such as payments for a car, credit card bills, rent and/or utility bills and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

If the family's expenses exceed its known income, the LACDA will question the family about contributions and gifts. If the family indicated that it is able to meet the extra expenses due to gifts or contributions from persons outside the household, the amount provided will be included in the family's TTP.

Alimony and Child Support [24 CFR §5.609(b)(7)]

If the amount of child support or alimony received is less than the amount awarded by the court, the LACDA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount. Acceptable verification in such cases may include:

1. Verification from the agency responsible for enforcement or collection, and
2. Documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

- (8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, co-head, spouse, or other person whose dependents are residing in the unit (but see paragraph (7) under Income Exclusions).

- (9) Any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for students who are living with their parents who are applying for or receiving assistance or persons over the age of 23 with dependent children. For the purpose of determining income, loan proceeds are not considered “financial assistance”.
- (10) Any part of an athletic scholarship that can be used to cover housing costs must be included in the family’s income.
- (11) The gross amount of Social Security (SS) and Supplemental Security Income (SSI) benefits.

6.4.2 Income Exclusions

[24 CFR §5.609(c)]

The LACDA considers the following to be excluded from the family’s annual income, as required by HUD:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);

Benefits received through the Kin GAP program, a California program designed specifically for foster children who have been placed in the home of a relative are considered foster care and should be excluded.

- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains, and settlement for personal or property losses (but see paragraph (5) under Income Inclusions);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide (as defined by regulation);
- (6) Subject to paragraph (9) in Income Inclusions, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (a) Amounts received under training programs funded by HUD;
(b) Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and

- benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (c) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (d) A resident service stipend. This is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- (9) Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (Notice PIH 2000-1).
 - (10) Reparations payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
 - (11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household, co-head, and spouse);
 - (12) Adoption assistance payments in excess of \$480 per adopted child;
 - (13) Deferred periodic payments of Supplemental Security Income, Social Security benefits and Veterans Affairs disability benefits that are received in a lump-sum payment or in prospective monthly payments;
 - (14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
 - (15) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and
 - (16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. A notice will be published in the Federal Register and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will

be distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- (i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7U.S.C.2017(b));
- (ii) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f) (1), 5058);
- (iii) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
- (iv) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- (v) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C.8624 (f));
- (vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94–540, section 6);
- (vii) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407–1408). This exclusion does not include proceeds of gaming operations regulated by the Commission;
- (viii) Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub.L. 109–115, section 327) (as amended);
- (ix) Payments received from programs funded under title V of the Older Americans Act of 1965 (42 U.S.C.3056g);
- (x) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101–201) or any other fund established pursuant to the settlement in In Re Agent Orange Liability Litigation, M.D.L. No. 381(E.D.N.Y.);
- (xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96–420, 25 U.S.C. 1728) ;
- (xii) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- (xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 36 of the National Housing Act (26 U.S.C. 32(l));
- (xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95–433);

- (xv) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C.12637(d));
 - (xvi) Any allowance paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811–16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821).
 - (xvii) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c));
 - (xviii) Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C.2931 (a) (2));
 - (xix) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);
 - (xx) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f (b));
 - (xxi) Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. § 1437a(b)(4));
 - (xxii) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub.L. 111–269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25U.S.C. 4101 et seq.) and administered by the Office of Native American Programs;
 - (xxiii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111–291);
 - (xxiv) Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107–110, 42 U.S.C. 604(h) (4));
 - (xxv) Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013–30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements”(25 U.S.C. 117b(a)); and
 - (xxvi) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).
- (17) Earned Income Disallowance for persons with disabilities [24CFR5.617]
- (a) Initial 12-Month Exclusion [24CFR5.617(C)(1)]
 - (b) Second 12-Month Exclusion and Phase-In [24CFR5.617(C)2]
 - (c) Maximum 4-Year Disallowance [24 CFR 5.617(c)(3)]

- (18) The low-income subsidy (extra help) received to assist low-income persons in paying for their Medicare Prescription Drug Plan cost.
- (19) The payment amount of Social Security (SS) and Supplemental Security Income (SSI) benefits that are reduced due to prior overpayments.
- (20) Financial assistance received through the Veterans Retraining Assistance Program (VRAP) [24 CFR 5.609 (c)(6)].

6.4.3 Earned Income Disallowance

[24 CFR §5.617]

When determining the annual income of a participant family that includes persons with disabilities, the determination must exclude an increase in annual income due to any of the following events:

- Employment by a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment.
 - A previously unemployed person is defined as a person who in the 12 months prior to employment has earned no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.
- An increase in income by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency program or other job-training program.
 - An economic self-sufficiency program is any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families.
- New employment or increased earnings by a family member who is a person with disabilities and who has received TANF benefits or services within the past 6 months.
 - If TANF is received in the form of monthly monetary maintenance, there is no minimum amount that must be received to be considered a participant in TANF.
 - If TANF is received in the form of one-time payments, wage subsidies and transportation assistance that add up to at least \$500 over a 6-month period, they would meet this requirement.

6.4.4 Earned Income Disallowance Exclusion Time Periods

[24 CFR §5.617(c)]

1. **Initial 12-Month Exclusion**: During the initial 12-month exclusion period, the full amount of the increase in income due to employment or increase earnings is excluded. Once a family member is determined eligible for the earned income disallowance, the 24-calendar month period starts.
2. **Second 12-Months Exclusion**: During the second 12-month exclusion and phase-in period, the exclusion is reduced to half, or 50 percent, of the increase in income due to employment or increased earnings.

3. **Lifetime Limit**: A participant has a total lifetime limit of 24-consecutive months that begins once the initial exclusion is given after the qualifying event. No exclusion should be given after the lifetime limit has been reached.

6.5 **FAMILY ASSETS**

[24 CFR §5.603(b)]

6.5.1 Included Assets

- (1) Amounts in savings and checking accounts.
- (2) Stocks, bonds, savings certificates, money market funds and other investment accounts.
- (3) Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the assets and reasonable costs (such as broker fees) that would be incurred in selling the assets.

In the absence of an estimate of liquidation costs or verification of actual liquidation costs from a real estate agent or broker, the LACDA will use a standard 8% of market value to determine such costs.

- (4) The cash value of trusts that may be withdrawn by the family.
- (5) IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
- (6) Some contributions to company retirement/pension funds.

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, include as assets only amounts the family can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, include any amount the individual elects to receive as a lump sum.

- (7) Assets, which although owned by more than one person, allow unrestricted access by the applicant.
- (8) Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

Lump-sum additions to family assets, such as inheritances, insurance payments (including lump-sum payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included as income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but

any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

- (9) Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
- (10) Cash value of life insurance policies.
- (11) Assets disposed of for less than fair market value during the two years preceding certification or re-certification.

The LACDA must count assets disposed of for less than fair market value during the 2 years preceding certification or re-examination. The LACDA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy, separation or divorce are not considered to be assets disposed of for less than fair market value.

The LACDA's minimum threshold for counting assets disposed of for less than Fair Market Value is \$5,000. If the total value of assets disposed of within a 1-year period is less than \$5,000, they will not be considered an asset.

6.5.2 Excluded Assets

- (1) Necessary personal property, except as noted in #9 above at Section 6.5.1.
- (2) Interest in Indian trust lds.
- (3) Assets that are part of an active business or farming operation.

If a household member's main occupation is the business from his/her rental property, the rental property is considered a business asset and therefore excluded. If a household member's rental property is considered a personal asset and held as an investment, it is considered an included asset.

- (4) Assets not controlled by or accessible to the family and which provide no income for the family.
- (5) Vehicles especially equipped for the disabled.
- (6) Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

6.6 CALCULATING INCOME AND FAMILY CONTRIBUTION

6.6.1 "Minimum Rent" and Minimum Family Contribution

[24 CFR §5.630(a)(2)]

Minimum family contribution in the LACDA's rental assistance programs is \$50 for all new contracts, including moves.

The LACDA will waive the minimum rent requirement in cases where the family documents that they do not currently have any source of income such as in the case of some homeless families. In such cases, the family will be re-evaluated in 3 months. All families are required to report changes in income within 10 calendar days.

6.6.2 Minimum Income

There is no minimum income requirement. Families who report zero income may be required to complete an interim re-examination periodically, up to once a quarter, at the LACDA's discretion.

6.6.3 Averaging Income

[24 CFR §982.516(c) and 24 CFR §5.609(d)]

When annual income cannot be anticipated for a full 12 months, the LACDA may annualize current income and conduct an interim re-examination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year may be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

6.6.4 Utility Allowance and Utility Reimbursement Payments

[24 CFR §982.517]

The utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from TTP to establish the family's rent to the owner. The allowances are based on rates and average consumption studies, not on a family's actual consumption. The LACDA will review the Utility Allowance Schedule on an annual basis and revise it if needed (10 percent increase or decrease).

The approved utility allowance schedule is given to families along with the voucher. The utility allowance is based on the lower of the family's voucher size or the actual unit size selected.

Where families provide their own range and refrigerator, the LACDA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 12-month period.

If the utility allowance exceeds the family's TTP, the LACDA will provide a utility reimbursement payment for the family each month. The check will be made out directly to the family's head of household on record.

6.6.5 Reduction in Welfare Assistance

[24 CFR §5.615]

The LACDA will impute (count) welfare income not received by the family, if the welfare assistance was reduced specifically because of:

- Fraud;
- Failure to participate in an economic self-sufficiency programs; or
- Noncompliance with a work activities requirement.

Imputed welfare income is the amount that welfare benefits are reduced.

Imputed welfare income is not included in the family's annual income, if the family was not assisted at the time of the welfare sanction.

The LACDA will include in the family's annual income the amount of the imputed welfare income plus the total amount of other annual income and the family's rent will not be reduced.

However, the LACDA will reduce the rent if the welfare assistance reduction is a result of any of the following:

- The expiration of a lifetime time limit on receiving benefits;
- The family has complied with welfare program requirements but cannot obtain employment; or
- The family member has not complied with other welfare agency requirements.

A family's request for rent reduction shall be denied upon the LACDA obtaining written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance.

Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. The new income would be subtracted from the imputed welfare income. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero.

6.6.6 Prior Overpayment of Social Security (SS) and Supplemental Security Income (SSI)

When there is a payment reduction due to prior overpayments, staff will use the net amount of the SS/SSI benefit to calculate annual income only for that period of time for which the reduction occurs.

6.7 PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES

6.7.1 Applicability

[24 CFR §5.520(a)]

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. Mixed family applicants are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

6.7.2 Prorated Assistance Calculation

[24 CFR §5.520(c)]

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible.

6.8 ABSENCE POLICY

The LACDA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the LACDA must count the income of the spouse or the head of household if that person is temporarily absent, even if that person is not on the lease.

Income of persons permanently absent will not be counted. If the head of household or spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the household to report absences and changes in family composition. The LACDA will evaluate absences from the unit using this policy [24 CFR §982.551(i)].

6.8.1 Absence of Entire Family

[24 CFR §982.312]

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the

unit, the LACDA will terminate assistance in accordance with appropriate termination procedures contained in this plan.

Families are required both to notify the LACDA before they move out of a unit and to give the LACDA information about any family absence from the unit.

Families must notify the LACDA if they are going to be absent from the unit for more than 30 consecutive calendar days.

If the family fails to notify the LACDA of an absence of longer than 30 consecutive calendar days, or if the entire family is absent from the unit for more than 60 consecutive calendar days, the unit will be considered to be vacated and the assistance will be terminated. The LACDA at all times shall reserve the right to exercise its judgment regarding extensions on family absence from the unit on a case-by-case basis. However, HUD regulations require the LACDA to terminate assistance if the entire family is absent from the unit for a period of more than 180 consecutive calendar days.

"Absence of entire family" means that no family member is residing in the unit, and the unit has not been vacated. In order to determine if the family is absent from the unit, the LACDA may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview the owner
- Interview neighbors
- Verify if utilities are in service
- Conduct an interim HQS Inspection

If the absence which resulted in termination of assistance was due to a person's disability, and the LACDA can verify that the person was unable to notify LACDA in accordance with the family's responsibilities, and if funding is available, the LACDA may reinstate the family as a reasonable accommodation if requested by the family.

6.8.2 Absence of Any Member

[24 CFR §982.312(a)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 180 consecutive calendar days except as otherwise provided in this chapter.

6.8.3 Absence Due to Medical Reasons

[24 CFR §982.312(e)(1)]

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the LACDA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will return in less than 180 calendar days, the family member will not be considered permanently absent.

If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered to be permanently absent, out of the home and removed from the family composition.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the LACDA's "Absence of Entire Family" policy.

6.8.4 Absence Due to Incarceration

[24 CFR §982.312(e)(1)]

If the sole member of the household is incarcerated for more than 30 calendar days, s/he will be considered permanently absent and the LACDA will initiate proposed termination procedures to terminate assistance.

Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 60 calendar days. Once a family member is removed from the family composition, the family must seek LACDA approval prior to allowing the family member to re-join the assisted household. Failure to adhere to this policy can result in termination of assistance.

The LACDA will determine if the reason for any family member's incarceration is for drug-related or violent criminal activity and, if appropriate, will pursue termination of assistance for the family if deemed appropriate.

6.8.5 Foster Care and Absences of Children

[24 CFR §982.551(h)(4) and 24 CFR §982.551(e)(1)]

If the family includes a child or children temporarily absent from the home due to placement in foster care, the LACDA will request information from the appropriate agency to determine when the child/children will be returned to the home.

If the time period is to be greater than 180 calendar days from the date of removal of the child/children, the voucher size may be temporarily reduced. If children are removed from the home permanently, the voucher size will be permanently reduced in accordance with the LACDA's subsidy standards.

6.8.6 Absence of Adult

[24 CFR §982.312(e)]

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the LACDA will immediately add the new caretaker to the household composition while eligibility is reviewed, including criminal background checks.

If the caretaker does not pass any portion of the LACDA's eligibility screening, including the criminal background check, the caretaker will be removed from the voucher. If no other caretaker is identified and the ineligible individual remains the caretaker for the children, the assistance will be terminated.

When the LACDA approves a person to reside in the unit as caretaker for the children, this person's income will be counted in the TTP for the family pending a

final disposition. The LACDA will work with the appropriate service agencies and the owner to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 180 calendar days, the person will be considered permanently absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition to the LACDA within 30 calendar days.

The family will be required to notify the LACDA in writing within 30 calendar days when a family member leaves the household for any reason or moves out. The notice must contain a certification by the family as to whether the member is temporarily or permanently absent. The family member will be determined permanently absent if verification is provided.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Time extensions may be granted as a reasonable accommodation upon request by a person with a disability.

6.8.7 Students

[24 CFR §982.312(e)]

Full time students who attend school away from the home and live with the family during school recess will be considered temporarily absent from the household. These family members will continue to be counted for the purpose of determining the family's appropriate voucher size.

6.8.8 Visitors

[24 CFR §982.312(e)]

Any person not included on the HUD-50058 who has been in the unit more than 30 calendar days, or a total of 60 calendar days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a family member.

Statements from neighbors and/or the owner will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the LACDA will terminate assistance since prior approval was not requested for the addition.

In a joint custody arrangement, if the minor is in the household less than 180 calendar days per year, the minor will be considered to be an eligible visitor and not a family member.

6.8.9 Reporting Absences

[24 CFR §982.551(h)(3) and §982.551(i)]

If a family member leaves the household, the family must report this change to the LACDA, in writing, within 30 calendar days of the change and certify as to whether the member is temporarily absent or permanently absent. When available to do so, an adult family member who is leaving the household should remove him/herself in writing from the lease and voucher family composition.

The LACDA will conduct an interim re-examination for changes, which may affect the TTP in accordance with the interim policy. See Section 12.5 (Changes in Family Composition) for more information.

6.8.10 Verification of Absence

Please refer to Section 7.11.4 (Verification of Permanent Absence of Adult Member).

CHAPTER 7: VERIFICATION PROCEDURES

7.1 INTRODUCTION

[24 CFR §5.240(c), 24 CFR §5.210, 24 CFR §982.551(b)]

HUD regulations require the LACDA to verify factors of eligibility. Applicants and program participants must furnish proof of their statements whenever required by the LACDA, and the information they provide must be true and complete. The LACDA's verification requirements are designed to maintain program integrity. This chapter explains the LACDA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in household composition. The LACDA will ensure that proper authorization from the family is always obtained before making verification inquiries.

7.2 METHODS OF VERIFICATION AND TIME ALLOWED

The LACDA will use six levels of verification methods acceptable to HUD in the following order:

Level Six: Up-Front Income Verification (UIV) using EIV (highest priority): This level is mandatory and will be used when available

Level Five: Up-Front Income Verification (UIV) using a non-HUD system (highest priority): In cases where EIV is not available, this level will be used when possible.

Level Four: Third-party written verification (high priority): This verification level is defined as tenant-provided documents obtained from a third-party source. The documents must be authentic, original and computer-generated. Level Four is used:

- To support the information reported through EIV/UIV,
- When there is a discrepancy between EIV/UIV and tenant-reported income,
- When EIV or other forms of UIV are not available, the LACDA will accept authentic, original, computer-generated documents as verification of income, assets or other family circumstances.

Level Three: Third-party written verification form (medium-low priority). The LACDA will send verification forms to third party sources when:

- There is a discrepancy between EIV/UIV and tenant-reported income and the tenant disputes the information in EIV, or
- Verification levels six through four are unavailable.

Level Two: Third-party oral verification (low priority). This level will be used when sending verification forms to third-party sources under Level Three is not possible or the forms are not returned in a timely manner.

Level One: Self-Declaration (low priority). Certification/self-declaration verification will be the last level used if verification is not possible or able to be

obtained using the higher levels of verification, the LACDA may allow up to 10 calendar days for the return of third-party verification forms before using the next verification level.

7.3 TIMELINESS OF VERIFICATIONS

Verifications may not be received more than 60 calendar days before voucher issuance for applicants [24 CFR §982.201(e)]. However, a voucher may be issued to a participant family without updating verifications if the annual reexamination is current (within the last 12 months). Any reported changes that require an interim reexamination will be verified and processed before a voucher is issued.

All tenant-provided documents are current if dated within 60 days of the date of receipt. Please see section 7.9 for asset verification documents exceptions.

Exception for averaging income: When using consecutive verification documents to average income, such as consecutive pay stubs, only one of the documents must be dated within 60 days of the date of receipt if the documents are also the most recent received by the family.

7.3.1 Up-Front Income Verification (UIV)

The LACDA will utilize up-front income verification tools. The use of the Enterprise Income Verification (EIV) system is mandatory and will be used whenever possible. Other UIV systems, such as the LRS system for the Temporary Assistance of Needy Families (TANF) and Work Number, will be used whenever possible when EIV is unavailable.

If there is a difference in source of income or a substantial difference (\$2400 annually or \$200 monthly) in reported income between EIV verification and family-provided documents and the tenant disputes the discrepancy or cannot provide adequate documentation to validate the discrepancy, the LACDA shall follow the guidelines below:

- The LACDA will send written third-party verification forms to the discrepant income source.
- The LACDA may review historical income data for patterns of employment, paid benefits, and/or receipt of other income, when the LACDA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud.
- The LACDA will analyze all data (UIV data, third-party verification documents provided by the family and verification forms returned by the discrepant income source) and attempt to resolve the income discrepancy.
- The LACDA will use the most current information available to calculate the anticipated annual income.

In cases where UIV income data is different than tenant-reported income and the tenant does not dispute the discrepancy and can provide adequate documentation to validate the discrepancy, the LACDA will use the written third-party documents provided by the family to calculate the anticipated annual income.

7.3.2 Third-Party Written Verification

Third-party written verification is defined as original, authentic, computer-generated documents from a third-party source, but obtained from the family. All documents will be photocopied and retained in the family file. The LACDA will accept the following documents, among others, from the family, provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer print-outs from the employer
- Letters printed on official letterhead

Third-party written verification documents will be used to support the information reported through the UIV source or as primary verification when UIV is not available.

The LACDA will accept faxed documents, however a hard copy may be requested for verification

If at least two check stubs cannot be obtained to verify employment income, the LACDA will request third party verification directly from the source to support EIV data or as primary verification.

7.3.3 Third-Party Written Verification Forms

Third-party verification forms will be sent directly to the source when a participant disputes a discrepancy on the UIV or cannot provide adequate documentation to validate the discrepancy, or when the LACDA rejects third-party written verification documents provided by the family.

The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the source are acceptable. Written letters obtained from the source are acceptable under this level.

7.3.4 Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification forms are not possible or are delayed. When third-party oral verification is used, staff will be required to document the file, noting with whom they spoke, the date of the conversation, and the facts provided.

7.3.5 Self-Certification/Self-Declaration

When verification cannot be made by UIV, third-party verification documents, forms or third-party oral verification, families will be required to submit a self-certification or a notarized statement. Self-certification means a signed statement/affidavit/certification under penalty of perjury.

This level may be used when:

1. UIV is unavailable; and
2. Third-party written documents cannot be provided by the family, and

3. Staff has made at least two documented efforts (mail, fax, telephone call, or email) to obtain third-party verification from the source and no response is received; or
4. An independent source does not have the capability of sending written third-party verification directly to the LACDA or does not facilitate oral third-party verification.

7.4 RELEASE OF INFORMATION

[24 CFR §5.230]

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD-9886 Form (Authorization for the Release of Information).

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

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

7.5 COMPUTER MATCHING

[24 CFR §5.210(a)]

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

7.5.1 Data Sharing

[State of California Health and Safety Code, §34217]

The LACDA will share applicant and participant information that is necessary to determine eligibility for County welfare department programs or services for which the client has applied or is receiving.

7.5.2 Release of Information

LACDA personnel, shall not release or otherwise make available HCV lists or any other confidential information to any outside organization or entity without the express written approval of the Executive Director, Deputy Executive Director, or their designee. This restriction on the release of HCV lists or any other confidential information shall also apply to all other divisions of the LACDA. To the extent information is released, such release(s) shall be in a manner consistent with section 33 of the Settlement Agreement United States v. Housing Authority of the County of Los Angeles, No.2:15-cv-5471 (C.D.Cal), applicable federal law governing the HCV Program and other Housing information. In the event that the LACDA provides information covered under this section, within 15 days, the LACDA will provide the following information to the Department of Justice.

1. The legitimate non-discriminatory purpose the information was provided for;
2. To whom the information was provided to; and

3. A copy of the information provided.

7.6 ITEMS TO BE VERIFIED

[24 CFR §982.551(b)]

- All income not specifically excluded by the regulations.
- Zero-income status of household.
- Full-time student status including high school students who are age 18 or over.
- Current assets including assets disposed of for less than fair market value in preceding two years.
- Childcare expense where it allows an adult family member to be employed, seek employment or to further his/her education.
- Total medical expenses of all family members in households whose head, co-head, or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus, which allow an adult family member to be employed.
- Identity.
- U.S. citizenship/eligible immigrant status.
- Social Security Numbers for all family members.
- Preference status, based upon local preferences.
- Displacement status of single applicants who are involuntarily displaced through no fault of their own.
- Familial/marital status when needed for head or spouse definition.
- Disability for determination of preferences, allowances or deductions.
- Enrollment in a Medicare prescription drug plan.
- The amount of Prescription drug benefits received.
- Actual or threatened incidents of domestic violence, dating violence, sexual assault or stalking.

7.7 VERIFICATION OF INCOME

[24 CFR §982.516(a)(2)(i)]

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

7.7.1 Employment Income

[24 CFR §5.609(a) and § 5.609(b)(1)]

Acceptable methods of verification include, but are not limited to the following:

1. Enterprise Income Verification (EIV) system, or if EIV is unavailable, other Up-Front Income Verification (UIV) tools, such as Work Number.
2. At minimum 2 check stubs or an earnings statement, which indicate the employee's gross pay, frequency of pay or year-to-date earnings or W-2 forms to supplement EIV data or as primary verification in the event EIV or other UIV tools are unavailable.
3. Employment verification form completed by the employer.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Verification forms request the employer to specify the:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Year-to-date earnings
- Estimated income from overtime, tips, bonus pay expected during next 12 months

In cases where there are questions about the validity of information provided by the family, the LACDA will send third-party verification forms to the employer and may require the most recent federal income tax statements.

7.7.2 Social Security, Pensions, Disability, Supplementary Security Income

[24 CFR §5.609(b)(4)]

Acceptable methods of verification include, but are not limited to the following:

1. Enterprise Income Verification (EIV) system.
2. Award or benefit notification letters prepared and signed by the providing agency.
3. Computer report electronically obtained or in hard copy.

The LACDA may request a complete Social Security Earnings Statement (SSA Form 7004) to resolve discrepancies with Social Security income

7.7.3 Unemployment Compensation

[24 CFR §5.609(b)(5)]

Acceptable methods of verification include, but are not limited to the following:

1. Enterprise Income Verification (EIV) System.
2. Computer printouts from unemployment office stating payment dates and amounts.

3. Payment stubs.

Unemployment and State Disability Insurance may no longer be verified through the Employment Development Department (EDD) [EDD Letter, 5/23/2006].

7.7.4 Welfare Payments or General Assistance

[24 CFR §5.609(b)(6)]

Acceptable methods of verification include, but are not limited to the following:

1. Leader Replacement System report for the Temporary Assistance of Needy Families (TANF)
2. Computer-generated Notice of Action.
3. LACDA verification form completed by payment provider.
4. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.

7.7.5 Alimony or Child Support Payments

[24 CFR §5.609(b)(7)]

Acceptable methods of verification include, but are not limited to the following:

1. Computerized official printout of payments made if through a state agency.
2. Copy of latest check and/or payment stubs from Court Trustee. The LACDA must record the date, amount, and number of the check.
3. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
4. LACDA verification form completed by payment provider.
5. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.
6. If payments are irregular, the family must provide at least one of the following:
 - A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules.
 - A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
 - A welfare notice of action showing amounts received by the welfare agency for child support.
 - A written statement from the District Attorney's office or other appropriate agency certifying that a collection or enforcement action has been filed.

The County of Los Angeles Child Support Services Department will no longer respond to written or oral third-party verification attempts by the LACDA. [See memo, 2/8/2007]

7.7.6 Net Income from a Business

[24 CFR §5.609(b)(2)]

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

Acceptable methods of verification include, but are not limited to the following:

1. IRS Form 1040, including:
 - Schedule C (Small Business)
 - Schedule E (Rental Property Income)
 - Schedule F (Farm Income)
2. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
3. Audited or unaudited financial statement(s) of the business.
4. Third-party verification forms for each customer/contract indicating the amounts of income received in a specified time period.

Expenses for rent and utilities will not be allowed for operations or businesses based in the subsidized unit, as these expenses are a required family contribution in the Housing Choice Voucher Program and are calculated based upon the family's income.

7.7.7 Child Care Business

If a family is operating a licensed day care business, income and expenses will be verified as with any other business.

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

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

7.7.8 Recurring Gifts

[24 CFR §5.609(b)(7)]

The family must furnish a self-certification containing the following information:

- The person who provides the gifts

- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

7.7.9 Zero-Income Status

Families claiming to have no income may undergo a credit review. The information contained in the credit report will be used to confirm the information provided by the family. The LACDA will utilize records provided by the Department of Public Social Services (DPSS), and may check records of other departments in the jurisdiction that have information about income sources of customers, to confirm information provided by a family claiming to have zero income.

7.7.10 Full-Time Student Status

[24 CFR §5.609(c)(11)]

Only the first \$480 of the earned income of full-time students 18 years or older (including those who are temporarily absent), other than head of household, co-head, or spouse, will be counted towards family income.

Verification of full-time student status includes:

1. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution;
2. A copy of final grades; or
3. Written verification from the registrar's office or other school official.
4. For 18 year-old high school students, verification of enrollment for the current academic year may include, but is not limited to a progress report, an attendance report or an enrollment letter from the school.

Due to administrative cost burden, the LACDA may no longer attempt to verify student enrollment in any educational institution that participates in the National Student Clearinghouse using written third party verification forms or oral third-party verification methods.

7.8 INCOME FROM ASSETS

7.8.1 Savings Account Interest Income and Dividends

[24 CFR §5.609(b)(3)]

Acceptable documents for verification include, but are not limited to the following:

1. Account statements, passbooks, certificates of deposit, or LACDA verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

3. IRS Form 1099 from the financial institution, provided that the LACDA must adjust the information to project earnings expected for the next 12 months.

7.8.2 Interest Income from Mortgages or Similar Arrangements

[24 CFR §5.609(b)(3)]

Acceptable documents for verification include, but are not limited to the following:

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

7.8.3 Net Rental Income from Property Owned by Family

[24 CFR §5.609(b)(3)]

Acceptable documents for verification include, but are not limited to the following:

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.9 VERIFICATION OF ASSETS

[24 CFR §982.516(a)(2)(ii)]

Families must provide the LACDA with acceptable, written third-party documents to verify the value of or income from an asset. A written third-party verification document for an asset is considered current if at the time of receipt the document is:

- A monthly statement not more than 60 days old, or
- The most recent quarterly statement, or
- A savings passbook that has been updated by the financial institution within the last 60 days, or
- The most recent annual statement, or
- The most recent document or statement issued to the family, including but not limited to a closing escrow statement or closing bank statement.

7.9.1 Family Assets

The LACDA will determine the current cash value, (the net amount the family would receive if the asset were converted to cash). Acceptable documents for verification include, but are not limited to the following:

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Software database or internet-based real estate valuation sites to determine the market value of real estate assets.
6. Financial statements for business assets.
7. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
8. Appraisals of personal property held as an investment.
9. Verification forms from a financial institution or broker.

7.9.2 Assets Disposed of for Less than Fair Market Value (FMV)

[24 CFR §5.603(b)(3)]

This includes assets disposed of during 2 years preceding effective date of certification or re-examination:

1. For all certifications and re-examinations, the LACDA will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the 2 years preceding the effective date of the certification or re-examination.
2. If the family certifies that they have disposed of assets for less than fair market value, verification [or certification] is required that shows:
 - All assets disposed of for less than FMV;
 - The date they were disposed of;
 - The amount the family received; and
 - The market value of the assets at the time of disposition. Third-party verification will be obtained wherever possible.

7.10 VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

[24 CFR §5.611]

7.10.1 Childcare Expenses

[24 CFR §5.611(a)(4)]

Acceptable documents for verification include, but are not limited to the following:

1. Verification documents the family obtained from the childcare provider that specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
2. Written verification form returned by the person or agency who receives the payments. The written verification form requests the amount charged to the family for their services and whether any of the amounts owed have been or will be paid by sources outside the family.
3. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

7.10.2 Medical Expenses

[24 CFR §5.611(a)(3)]

Families who claim medical expenses or expenses to assist a person(s) with a disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source.

Acceptable documents for verification include, but are not limited to the following:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of
 - The anticipated medical costs to be incurred by the family and regular payments due on medical bills, and
 - Extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration's written of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
4. For attendant care:
 - A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
 - Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or

copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. The LACDA may use this approach for general medical expenses such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
8. The LACDA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Medical expenses may not be verified through third party verification from Walgreen's Pharmacy [see memo dated 04/16/09].

7.10.3 Assistance to Persons with Disabilities

[24 CFR §5.611(a)(3)(ii)]

1. The LACDA may require:
 - Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
 - Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.
2. Attendant Care:
 - If the family pays for any portion of the attendant care expense, the attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
 - Certification of family and attendant and/or copies of canceled checks family used to make payments.
3. Auxiliary Apparatus:
 - Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
 - In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

7.11 VERIFYING NON-FINANCIAL FACTORS

[24 CFR §982.551(b)(1)]

7.11.1 Verification of Legal Identity

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

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

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Board approved Consulate General identification cards, which are currently Mexico's and Argentina's "Matricula Consular" identification cards
- Company/agency Identification Card
- Department of Motor Vehicles Identification Card
- Hospital records

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

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

If acceptable verification of legal identity documents listed above are not available due to a declared disasters or emergencies, whether due to natural calamity (e.g., earthquake), civil disturbance, public health emergencies, or other cause recognized by the Local, State or Federal government, the LACDA may use for the initial leasing process a certified statement and/or documentation that the family has undertaken actions to obtain proper documentation. For these instances, the LACDA will obtain acceptable verification of legal identity at the time of processing the annual reexamination.

7.11.2 Verification of Marital Status

- Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- Verification of a separation may be a copy of court-ordered maintenance or other records.
- Verification of marriage status is a marriage certificate.

7.11.3 Familial Relationships

The following verifications may be required if applicable:

- Verification of relationship:
 - Official identification showing names
 - Birth Certificates
 - Baptismal certificates
- Verification of guardianship:
 - Court-ordered assignment
- Verification from social services agency
- School records
 - Affidavit of parent
- Evidence of a stable family relationship:
 - Joint bank accounts or other shared financial transactions
 - Leases or other evidence of prior cohabitation
 - Credit reports showing relationship

7.11.4 Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the LACDA may require one or more of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written statement from the owner or manager that the adult family member is no longer living at that location.
6. If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.
7. A statement by the adult member of the household removing him/herself from the lease and voucher household and providing a forwarding address and effective date of the move.

7.11.5 Verification of Change in Family Composition

[24 CFR §982.516(c)]

The LACDA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, owners, neighbors, credit data, school or DMV records, and other sources.

7.11.6 Verification of Disability

Verification of disability is receipt of SSI (if under 62 years of age) or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or written verification by the appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

7.11.7 Verification of Citizenship/Eligible Immigrant Status

[24 CFR Part 5, Subpart E]

To be eligible for assistance, individuals must be U.S. citizens, or non-citizens with eligible immigrant status based on the eligible categories specified by regulations. Individuals who are neither may elect not to contend their status. Each family member must declare their status once. If a family member reports a change to their citizenship status, only that member will be required to declare their updated citizenship status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the LACDA hearing is pending.

1. Citizens or Nationals of the United States: Required to sign a declaration under penalty of perjury [24 CFR §5.508(b)(1)].
2. Eligible Immigrants Age 62 and Over: Required to sign a declaration of eligible immigration status and provide proof of age [24 CFR §5.508(b)(2)].
3. All Other Eligible Immigrants: Required to sign a declaration of status and verification consent form, and to provide an acceptable document of eligible immigration as follows:
 - Resident Alien Card (I-551)
 - Alien Registration Receipt Card (I-151) (With receipt for application of I-551)
 - Foreign Passport with I-551 stamp
 - Arrival-Departure Record (I-94) with no annotation accompanied by:
 - A final court decision granting asylum (if no appeal is taken);
 - A letter from an INS or USCIS asylum officer granting asylum (if application is filed on or after 10/1990) or from and INS director granting asylum (application filed before 10/1/90);
 - A court decision granting withholding of deportation; or
 - A letter from an asylum officer granting withholding of deportation (if application filed on or after 10/1/90).

- Arrival-Departure Record (I-94) stamped with one of the following:
 - “Admitted as a Refugee Pursuant to Section 207”
 - “Section 208” or “Asylum”
 - “Section 243(h)” or “Deportation stayed by Attorney General”
 - “Paroled Pursuant to Section 221(d)(5) of the INS (or USCIS)”
- Temporary Resident Card (I-688) annotated “Section 245A” or Section “210”
- Employment Authorization Card (I-688B) annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”
- Employment Authorization Document (I-766) annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”
- Any official revision of the acceptable documents listed above
- Receipt issued by the United States Citizenship and Immigration Service (USCIS) for issuance of replacement of any of the above documents that shows individual’s entitlement has been verified

The document is copied front and back and returned to the family. A birth certificate is not acceptable verification of eligible immigrant status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept 5 years.

Eligible immigrants must have their status verified by USCIS. The LACDA verifies the status through the USCIS SAVE system. If this primary verification fails to verify status, the LACDA must request within 10 calendar days that the USCIS conduct a manual search [24 CFR §5.512(c)].

4. Ineligible Family Members: Family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household, co-head, or spouse [24 CFR §5.508(e)].
5. Non-Citizen Students on Student Visas: Ineligible, even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members [24 CFR §5.522].
6. VAWA Self-Petitioners (PIH 2017-02)

VAWA Self-Petitioners are those who claim to be victims of “battery and extreme cruelty”. VAWA covers the following types of battery or extreme cruelty: domestic violence, dating violence, sexual assault, and stalking. A VAWA self-petitioner can indicate that they are in “satisfactory immigration” status when applying for housing or continued assistance. “Satisfactory immigration status” means an immigration status which does not make the individual ineligible for financial assistance. Once the LACDA verifies the applicant’s immigration status in the Department of Homeland Security

(DHS) SAVE System, the LACDA will make the final determination as to the self-petitioner's eligibility for assistance.

Not every noncitizen victim who has been subjected to battery or extreme cruelty will qualify under these procedures. To qualify, the noncitizen victim must have been battered or subject to extreme cruelty by their spouse or parent, who is a U.S. citizen or Lawful Permanent Resident (LPR). The LACDA may receive a petition at any time but submissions will most likely be related to a request for VAWA protections pursuant to 24 CFR 5 Subpart L (e.g. with a request for an emergency transfer or family breakup resulting from domestic violence, dating violence, sexual assault, or stalking; PIH 2016-09).

When the LACDA receives a self-petition (INS Form I-360 or I-130) or INS Form 797, the LACDA is prohibited from requesting any additional information from the VAWA self-petitioner, other than what is required below to complete the verification.

VAWA Self-Petitioner Verification Procedure

When the LACDA receives a self-petition or INS Form 797 "Notice of Action", the HA will initiate verification in the SAVE System as outlined in PIH 2017-02. During the verification process, housing assistance and all other VAWA protections will be granted to the self-petitioner throughout the verification process until a final determination of LPR status is made. If this primary verification fails to verify status, the LACDA must request within ten days that the USCIS conduct a manual search. If the final determination is to deny the VAWA self-petition or LPR petition, the LACDA will alert the petitioner and take the appropriate actions.

Failure to Provide: If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information [24 CFR §5.508(i)].

Time of Verification: For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For family members added after other members have been verified, the verification occurs at the first interim or annual re-examination after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial public housing agency does not supply the documents, the LACDA must conduct the determination [24 CFR §5.508(g)].

Extensions of Time to Provide Documents: Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. The LACDA will generally allow up to 30 calendar days to provide the document or a receipt issued by the USCIS for issuance of replacement documents [24 CFR §5.508(h)].

Determination of Ineligibility: After the LACDA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

7.11.8 Verification of Social Security Numbers

[24 CFR §5.216]

Social Security numbers must be provided as a condition of eligibility for all family members, except for family members who were determined eligible on or before January 31, 2010 and were at least 62 years old on that date, and family members who are not eligible to obtain a Social Security number. Social Security numbers will be verified through a Social Security card issued by the Social Security Administration. If a family member cannot produce a Social Security card, only the documents listed below may be used for verification. [24 CFR §5.216(g)(1)]:

- A document issued by the Social Security Administration that contains the name and Social Security Number of the individual; or
- A document issued by a Federal, state or local government agency that includes the name, Social Security Number and other identifying information about the individual.

All new family members, except children age 5 and under, who have not been assigned a number, will be required to produce their Social Security card or provide the substitute documentation described above. This information is to be provided at the time the change in family composition is reported to the LACDA and the family member will not be added to the household composition until it is provided [24 CFR §5.216(e)(2)(i)].

A child age 5 or under who has not been assigned a Social Security Number may be added to the household before providing a Social Security number. However, the parent or guardian will be required to sign a form attesting that the child was never issued a Social Security Number. The family must disclose the child's Social Security Number within 90 days of being added to the household composition.

If a participant was never assigned a Social Security Number the individual will be required to sign a form attesting to the fact. The family member will be required to provide proof of the Social Security Number before the current annual reexamination is processed [24 CFR §5.216(e)(2)(ii)].

A 90-day extension may be granted by a LACDA Supervisor if the family was unable to provide the information due to good cause and there is a reasonable likelihood they will be able to provide the information during the extended time period. If the family fails to provide the information within the approved time period, the family's assistance will be terminated. .

If the family fails to provide required documentation of a member's Social Security Number, the family's assistance will be terminated [24 CFR §5.216(g)].

If any of the verification documents listed above are not available due to declared disasters or emergencies, whether due to natural calamity (e.g., earthquake), civil disturbance, public health emergencies, or other cause recognized by the Local, State or Federal government, the LACDA may use for the initial leasing process a certified statement and/or documentation that the family has undertaken actions to

obtain proper documentation. The LACDA can make any corrections or adjustments after the HUD form 50058 has been validated in IMS/PIC and made available to the LACDA in the EIV system or at the time of processing the annual reexamination, whichever is first.

7.11.9 Medical Need for Larger Unit

A written certification that a larger unit is medically necessary must be obtained from a reliable, knowledgeable medical professional. If the request is a reasonable accommodation for a disabled family member, the following policy will be followed.

7.11.10 Reasonable Accommodation

In order to verify the necessity for a reasonable accommodation, the LACDA will usually require the disabled individual or a third party acting on their behalf, to return the Reasonable Accommodation Request form, or other written documentation, completed by a qualified professional with direct experience with the individual's disability. Qualified professionals may include, but are not limited to:

- A medical doctor
- A psychiatrist
- A social worker
- Other unlicensed care providers

If the need for the requested accommodation is visibly apparent, the LACDA may grant the request immediately without requiring further verification. If the disabled individual is unable to return a written request due to their disability, the LACDA will work with the individual to ascertain the specific accommodation being requested and whether it conforms to the requirements stated in section 1.9.2.

7.11.11 Secondary Review/Credit Checks

The LACDA may use credit reports obtained from reliable sources to conduct secondary verifications on a case-by-case basis.

The methodology used to evaluate the information obtained from the credit report in relation to new applicants is outlined in Chapter 4 (Establishing Preferences and Maintaining the Waiting List).

The secondary review includes a comparison between the information contained in the credit report, for each adult household member, and the information provided by the family to the LACDA for eligibility purposes. Specifically, the LACDA reviews the credit report to verify:

Employment: If the credit report reveals employment during the subsidized period that was not disclosed to the LACDA, the family will be required to provide documentation that the employment did not occur or provide information regarding the amount of earnings received during the employment period.

If the family contends that the employment was made up for the purposes of obtaining credit or was erroneously placed on the credit report, the family must

supply a letter from the employers listed confirming such information. On a case-by-case basis, the LACDA may accept a certified statement from the family.

If the family failed to disclose employment for a period longer than 6 months, the LACDA will propose termination of the family's assistance and seek repayment of any overpayment. On a case-by-case basis the LACDA may counsel the family before proposing termination and seeking repayment of any overpayment.

If the family failed to disclose employment for less than 6 months, the family will be required to attend a counseling interview and re-sign all program documents re-enforcing the family's obligations. The family will also be required to repay any overpayment amount. A second violation of this nature will result in a proposed termination.

Assets: The credit report information will be used to verify assets, particularly, large items such as real estate property. If the credit report reveals that the family owns property, the family will be required to provide the appropriate documentation regarding the property.

If all documentation confirms that the family (any family member) owns real estate property that was purposely concealed, the LACDA will propose termination of assistance and seek repayment of any overpayment amount.

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

Current and Previous Addresses: For a continuously assisted family, it is assumed that the family's primary residence is the assisted address. If the credit report indicates the continuous use of an address, other than that of the assisted unit during the subsidized period, the family will be asked to provide documentation that the assisted address is being used as the family's primary residence. This may include a history of utility bills, bank statements, school enrollment record for children, credit card statements or other relevant documents. Failure to provide adequate proof may result in termination of assistance.

If the family is not using the subsidized unit as their primary residency and/or is subletting the assisted unit, the file will be referred for proposed termination and the LACDA will seek full repayment of any overpayment amount.

Credit Card and Loan Payments: A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans and credit card payments. The LACDA will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, the LACDA will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or significantly delinquent are not included in this calculation. Failure to provide adequate proof of income will result in the file being referred for proposed termination. Additionally, the LACDA will seek full repayment of any overpayment amount.

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

Whenever a violation results in a proposed termination, the family is entitled to request an informal hearing. Procedures governing the informal hearing process are outlined in Chapter 16 Informal Reviews/Hearings.

CHAPTER 8: VOUCHER ISSUANCE AND BRIEFINGS

8.1 INTRODUCTION

This chapter covers the LACDA's process for issuing vouchers, including the contents of the briefing that is conducted for families receiving a voucher. It also includes policies on the term of the voucher.

8.2 ISSUANCE OF HOUSING CHOICE VOUCHERS

When funding is available, the LACDA will issue vouchers to applicants whose eligibility has been determined.

The number of vouchers issued must ensure that the LACDA stays as close as possible to 100 percent lease-up. The LACDA performs a calculation to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent the LACDA can over-issue.

The LACDA may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers that are over-issued will be honored, as long as there is funding to support the over-issued vouchers. If the LACDA finds it is over-leased, and a voucher holder has found an approvable unit, the LACDA is under no obligation to the family, to the owner, or to any other person, to approve a tenancy. As the LACDA nears 100 percent lease up, vouchers will be honored in the order they were issued. All voucher holders whose vouchers are not honored due to over-leasing will be placed back on the waiting list.

8.3 BRIEFING TYPES AND REQUIRED ATTENDANCE

8.3.1 Initial Applicant Briefing

[24 CFR §982.301(a)]

When the family is initially issued a voucher, the LACDA conducts a briefing session, as required by HUD. The briefing session is mandatory.

Briefing sessions will be conducted in groups or individual meetings.

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

Families who attend group briefings and still have the need for individual assistance will be referred to the appropriate staff person.

8.3.2 Re-Issuance Briefing

A briefing will be held for participants who will be re-issued vouchers to move. This briefing may include incoming and outgoing portable families. Families failing to attend a scheduled briefing twice will be denied a new voucher based on failure to provide required information.

8.3.3 Owner Briefing

Briefings are held for owners at least annually. Invitations are sent to all owners. Prospective owners are also welcome. The purpose of the briefing is to assure successful owner participation in the program.

8.4 INFORMATION PROVIDED AT THE BRIEFING SESSION

The LACDA's objectives are to assure that families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements.

The purpose of the briefing session is to provide information on the LACDA's process for voucher holders who intend to lease a unit. This will enable families to utilize the program to their advantage, and prepare them to discuss it with potential owners and property manager.

When the family is selected to participate, the briefing session includes information as follows.

8.4.1 Topics Covered in the Briefing Session

[24 CFR §982.301(a)]

The person conducting the briefing will describe how the program works and include information on the following subjects:

- A description of how the program works, including reasonable accommodation policies and procedures;
- Family and owner responsibilities;
- Where a family may lease a unit inside and outside the LACDA's jurisdiction;
- How portability works for families eligible to exercise portability; and
- Advantages of moving to an area that does not have a high concentration of poor families, for families living in high poverty census tracts in the LACDA's jurisdiction.

If the family includes a person with disabilities, the LACDA will ensure compliance with 24 CFR §8.6 to ensure effective communication.

8.4.2 Briefing Packet

[24 CFR §982.301(b)]

The LACDA provides families with a briefing packet that contains more detailed information about the program. The packet includes forms and information required by HUD, as well as additional resources. The person conducting the briefing session will explain the documents in the briefing packet.

1. Instructions: This explains the term of the voucher, the LACDA's policies on extensions and suspensions, and how families may request tenancy approval.
2. Subsidy Estimation: A worksheet on rent calculations, including a description of the method used to calculate the assistance payment, how the minimum and maximum allowable rent is determined, how the payment standard is determined, and a calculation of the estimated maximum rent to suit the tenant's budget.
3. Utility Allowance Schedule: Utility allowance amounts for rental units, by unit size and utility type, for cities and unincorporated areas within the LACDA's jurisdiction.
4. Information on where the family can lease a unit, including portability procedures, a list of area housing authorities, and a form for participants who are requesting to transfer.
5. Form HUD-52641-A: The HUD-required "tenancy addendum" that must be included in the lease.
6. Request for Tenancy Approval (RTA): Families request LACDA approval of the assisted tenancy with this form. The RTA includes a statement of LACDA policy on providing family information to prospective owners.
7. Subsidy Standards and Requests for Waivers: Explains how the number of bedrooms (unit size) relates to family composition, and when and how exceptions are made in regards to requests for additional bedrooms.
8. A Good Place to Live: HUD's brochure on selecting a unit that complies with HQS.
9. Are You A Victim of Housing Discrimination: HUD's pamphlet on fair housing which contains the complaint form. The LACDA also includes available State and local information on equal opportunity laws.
10. Marketing List of Available Properties: The LACDA provides information for the Los Angeles County Housing Resource Center, which is an internet-based property listing and search service for owners and participants. The LACDA includes an information sheet on how to access the system online.
11. Family Obligations: Families sign to acknowledge program obligations, and consequences including termination of assistance for failure to comply.
12. Informal Hearing Information: Includes procedures and explanations of when participant families have the opportunity for an informal hearing, and how to request a hearing.

The packet may also include the following materials:

- Three Way Partnership: Explains the relationship between owners, participants and the LACDA.

- Protect Your Family From Lead In Your Home: Federal brochure on the hazards of lead-based paint and resources for additional information.
- Searching for a Rental Home: Guidance on finding a unit and submitting a successful rental application.
- Additional Standards for HQS Inspections and inspections process details.
- Owner materials including information on the New Contracts Process and the Benefits of Participation.
- Owner forms including IRS W-9, Letter of Authorization, Authorization Agreement for Direct Deposit, and a sample Lead-Based Paint Disclosure.
- Request for Voucher Extension form
- What You Should Know About EIV: A Federal brochure describing the Enterprise Income Verification (EIV) System, how it is used and from where the information is generated.

8.5 ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION

[24 CFR §982.301(a)(3)

At the briefing, families are encouraged to search for housing in non-impacted areas. The LACDA provides assistance to families who wish to do so.

The assistance provided to such families includes:

- Direct contact with owners;
- Counseling with the family;
- Providing information about services in various non-impacted areas;
- Meeting with neighborhood groups to promote understanding;
- Formal or informal discussions with owner groups;
- Formal or informal discussions with social service agencies;
- Meeting with rental referral companies or agencies; and
- Meeting with fair housing groups or agencies.

The LACDA currently utilizes the Los Angeles County Housing Resource Center, an internet-based housing search service. This service, lists rental properties, listed by owners within the LACDA's jurisdiction to ensure greater mobility and housing choice to very low-income households. Each property listed indicates if it is in an area of low-poverty concentration.

The LACDA also maintains a listing of job, education, transportation and other information for cities not impacted by poverty or minority concentration. The cities for which the LACDA maintains this information are:

- Alhambra
- Azusa

- Bellflower
- Covina
- Downey
- Lakewood
- Lawndale
- Lomita
- Paramount
- Santa Fe Springs
- West Covina
- West Hollywood
- Whittier

This information may be obtained at the Section 8 Administrative Office.

8.6 SECURITY DEPOSIT REQUIREMENTS

[24 CFR §982.313]

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

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

8.7 TERM OF VOUCHER

[24 CFR §982.301(b)(1)]

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

8.7.1 Expirations

[24 CFR §982.303(a)]

The initial term of the voucher is 60 calendar days from the date of issuance. At the time the family is provided the voucher, the LACDA will automatically approve one 60-day extension. The family must submit a Request for Tenancy Approval and lease within the 120 calendar-day period, unless the family requests an extension and the LACDA grants the extension.

Under a local, state, and/or federally declared disaster, and at the discretion of the Director or designee, the LACDA may grant voucher extensions as necessary without the need for a family's formal request.

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

8.7.2 Extensions of Voucher Term

[24 CFR §982.303(b)]

The LACDA has the authority to grant extensions to vouchers, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. LACDA's discretionary policies related to voucher extensions are below.

LACDA may approve an extension in a 60-day increment not to exceed a maximum voucher term of 180 calendar days. LACDA Supervisors may authorize voucher extensions, in 30 or 60-day increments, up to a maximum term of 365 calendar days.

Extensions beyond 365 calendar days will only be considered as a reasonable accommodation for a person with disabilities. In such cases, the policy and procedure in section 7.11.10 will be followed.

As stated above, under a local, state, and/or federally declared disaster, and at the discretion of the Director or designee, the LACDA may grant voucher extensions as necessary without the need for a family's formal request.

8.7.3 Suspension of Voucher Term (Tolling)

[24 CFR 982.303(c)]

When a Request for Tenancy Approval is received, the LACDA will not deduct the number of calendar days required to process the request from the term of the voucher.

8.7.4 Assistance to Voucher Holders

[24 CFR §982.301(b)(11)]

The LACDA has contracted with the Los Angeles County Housing Resources Center (Emphasys) to provide an internet-based property listing and search service for owners and participants. The LACDA includes in the briefing packet an information sheet on how to access the Los Angeles County Housing Resources Center (Emphasys).

8.8 VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS

[24 CFR §982.315]

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

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

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

If documentation is not provided, the LACDA will terminate assistance on the basis of failure to provide information necessary to complete the annual re-examination.

Where the breakup of the family also results in a reduction of the size of the voucher, the family will be required to move to a smaller unit if the current owner is unwilling to accept the rent level of the smaller sized certificate.

8.9 REMAINING MEMBER OF FAMILY – RETENTION OF VOUCHER

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

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

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

1. The court has to have awarded emancipated minor status to the minor, or
2. The LACDA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period.

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

8.10 FAMILY VOLUNTARILY RELINQUISHES HOUSING CHOICE VOUCHER

The family may voluntarily relinquish their voucher at any time. In such cases, the LACDA will provide the owner of the property with a 30 calendar days' notice indicating that rental assistance will terminate based on the family's request. The family will become fully liable for the contract rent after 30 calendar days.

Generally, the LACDA will not reinstate a family once a request for voluntary termination has been received. However, as a reasonable accommodation, the LACDA will review requests for reinstatements received within 6 months and make a determination on a case-by-case basis.

If a family voluntarily relinquishes their voucher in lieu of facing termination, the LACDA will continue to seek to recover any monies that may be due to the LACDA

as a result of misrepresentation or other breach of program regulations and will report the amount of debt owed to EIV.

CHAPTER 9: THE NEW CONTRACT PROCESS - REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

9.1 INTRODUCTION

[24 CFR §982.302 and 24 CFR §982.353(a)(b)]

After families are issued a voucher, they may search for a unit anywhere within the LACDA's jurisdiction, or outside of the LACDA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner who is willing to enter into a Housing Assistance Payments (HAP) contract with the LACDA. This chapter defines the types of eligible housing, the LACDA's policies which pertain to lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RTA).

9.2 REQUEST FOR TENANCY APPROVAL

[24 CFR §982.302 and §982.305]

No RTA for a current participant will be processed unless there is a copy of the lease termination notice for the currently assisted unit in the family's file.

Both the owner and the voucher holder must sign the RTA.

The LACDA will not permit the family to submit more than one RTA at a time.

The RTA will be approved if [24 CFR §982.302(d)]:

1. The unit is an eligible type of housing;
2. The unit passes an inspection (based on HUD's Housing Quality Standards and the LACDA's requirements, detailed in Chapter 10);
3. The rent is reasonable and affordable to the voucher holder;
4. The security deposit amount is approvable;
5. The proposed lease complies with HUD and LACDA requirements, and State and local law;
6. The owner is approvable, and there are no conflicts of interest; and
7. All applicable lead-based paint disclosure requirements have been met. See Section 10.4 (Lead-Based Paint) for additional policies.

9.2.1 Disapproval of RTA

[24 CFR §982.302(d); §982.305, and §982.306]

If the LACDA determines that the RTA cannot be approved for any reason, the owner and the family will be notified in writing. The LACDA will instruct the owner and family of the steps that are necessary to approve the Request.

The owner will be given 5 calendar days to submit an approvable RTA from the date of disapproval unless the reason for the disapproval is the result of multiple failed inspections (three or more failed HQS inspections).

When, for any reason, an RTA is not approved, the LACDA will furnish another RTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

The LACDA will suspend the term of the voucher while the RTA is being processed. Therefore, the length of time allotted to a family for the purpose of locating another unit will be based on the number of days left on the term of the voucher at the time the RTA was submitted to the LACDA [24 CFR §982.303(b)].

9.3 ELIGIBLE TYPES OF HOUSING

[24 CFR §982.352]

The LACDA will approve the following types of housing in the voucher program:

- Single-family dwellings, including condos and townhouses.
- Manufactured homes where the family leases the mobile home and the pad [24 CFR §982.620(a)(2)].
- Manufactured homes where the family owns the mobile home and leases the pad [24 CFR §982.620(a)(3)].
- Multifamily dwellings (apartment buildings).
- Units owned but not subsidized by the LACDA (HUD-prescribed requirement).

A family can own a rental unit but cannot reside in it while being assisted, except in the cases involving manufactured homes when the family owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

The LACDA may not permit a voucher holder to lease a unit that is receiving project-based Section 8 assistance or any duplicative rental subsidies.

9.3.1 Special Housing Types

[24 CFR §982 Subpart M]

A Public Housing Agency may permit a family to use any of the special housing types below. However, the Public Housing Agency is not required to permit families receiving assistance to use these housing types, except that the Public Housing Agency must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability.

In accordance with regulatory discretion, the LACDA will permit families to request tenancy to use any of the special housing types below. However, the housing type requested must meet the definition of the housing type and must pass Housing Quality Standards in accordance to the housing type's standards.

- **Congregate housing** - Housing intended for use by elderly persons or persons with disabilities. It contains a shared central kitchen and dining area and a private living area for the individual household of at least a living room, bedroom and bathroom. Food service for residents must be provided. Elderly persons or persons with disabilities may live in congregate facilities. With PHA

approval a live-in aide may live in the congregate unit with a person with disabilities or an elderly person.

- **Group home** -a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. The group home consists of residents' bedrooms, 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. Elderly persons or persons with disabilities may live in group homes. If approved by the PHA, a live-in aide may live in the group home with a person 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 continual medical or nursing care.
- **Shared housing** - 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. The family and any HACoLA approved live-in aid may reside in a unit with other persons who are either:
 1. Not assisted under the tenant based program,
 2. .Assisted under the tenant based program (If there are multiple assisted families in the shared unit, there must be separate HAP contracts for each assisted family.),
 3. The owner of the shared housing unit. (While the owner may reside in the shared unit, the owner may not be related to the family by blood or marriage and no assistance may be paid on behalf of the owner.)
- **Cooperative housing (excluding families that are not cooperative members)** – Housing owned by a nonprofit corporation or association, where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing. There are no program restrictions on who may occupy a cooperative housing unit.
- **Single Room Occupancy (SRO)** - an SRO unit is a unit that provides living and sleeping space for the exclusive use of the occupant, but requires the occupant to share sanitary and/or food preparation facilities. There is no federal limitation on the number of SRO units in an SRO facility. An SRO unit may not be occupied by more than one person. Program regulations do not place any limit on the number of units in an SRO facility, although the size of a facility may be limited by local laws.
- **Homeownership** (if homeownership program is available)

9.3.2 Ineligible Housing Types

[24 CFR §982.352(a)]

The LACDA will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes described above.

- Nursing homes or other institutions that provide care.
- School dormitories and institutional housing.
- Structures that have not been properly converted. Owners will be required to provide finalized permits for all conversion work when the integrity and/or soundness of a structure is in question.
- Converted garages or other structures not intended to be living areas.
- Any other types of housing prohibited by HUD.

9.4 RESTRICTIONS ON RENTING TO RELATIVES

[24 CFR §982.306(d)]

In accordance with HUD policy, the family will not be allowed to rent a unit from an owner (including a principal or other interested party) who is the spouse, parent, child, grandparent, grandchild, and sister or brother of any member of the family. This restriction applies to all new contracts entered into after June 16, 1998.

Exceptions may be made to this policy as a reasonable accommodation for persons with a disability. The LACDA will review all such requests on a case-by-case basis. The family will be required to provide documentation of disability and how the particular unit, owned by the relative, could benefit the disabled person. Owners must provide the current address of their residence (not a Post Office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address.

Owners must provide an Employer Identification Number or Social Security number, and may also be required to provide a copy of their driver's license or other photo identification. In addition, the LACDA may request a copy of the owner's current utility bills and bank statement.

Failure to provide adequate documentation, within the specified time period (2 weeks), will be grounds for denial of such request.

In all cases, the owner of the assisted unit may not reside in the unit with the assisted household at any time during the term of the Housing Assistance Payment (HAP) Contract between the LACDA and the owner.

9.5 LEASE AGREEMENTS

[24 CFR §982.308 - §982.309]

The tenant and the owner must enter a written lease for the unit. If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form, plus the required HUD Tenancy Addendum, which the LACDA will provide to the owner.

The LACDA will review the lease for compliance with regulations. At minimum, the lease must specify the following information:

- The names of the owner and tenant;
- The address of the unit rented;

- The term of the lease including the initial term and any provisions for renewal;
- The amount of the monthly rent to owner; and
- A specification of which utilities and appliances will be supplied by the owner, and which by the family.

The lease must provide the following are grounds for the owner to terminate tenancy [24 CFR §982.310(c)]:

- Drug- related criminal activity engaged in, on or near the premises by any tenant, household member, or guest, or such activity engaged in on the premises by any other person under the tenant's control. In addition, the lease must provide that the owner may evict a family when the owner determines that a household member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any of the following types of criminal activity by a covered person:
 - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises);
 - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
 - Any violent criminal activity on or near the premises by a tenant, household member, or guest, or any such activity on the premises by any other person under the tenant's control.
- If a tenant is:
 - Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or
 - Violating a condition of probation or parole imposed under Federal or State law.

When needed, the LACDA may require the owner and family to execute a lease rider to include changes to the rent amount, changes to utility responsibilities and/or effective date on the owner's original lease.

9.5.1 Separate Agreements

[24 CFR §982.510(c)]

Separate agreements are not necessarily prohibited. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

Owners and families may execute separate agreements for services (parking space), appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the LACDA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

The LACDA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by the LACDA. If agreements are entered into at a later date, they must be approved by the LACDA and attached to the lease.

9.6 INITIAL INSPECTIONS

See Chapter 10 (Housing Quality Standards and Inspections).

9.7 RENT LIMITATIONS

[24 CFR §982.508]

In accordance with HUD regulations, at the time the family initially receives assistance for a new unit, the family's share of the rent for the unit (includes utilities and the rent to the owner) may not exceed more than 40 percent of the family's adjusted monthly income if the gross rent for the unit exceeds the payment standard.

9.8 RENT REASONABLENESS

[24 CFR §982.507(a)(1)]

A rent reasonable test will be used to determine if the rent amount request by the owner can be approved. The LACDA's rent reasonableness policy is covered in Chapter 11 (Setting Payment Standards and Determining Rent Reasonableness).

9.9 WHEN A NEW CONTRACT IS REQUIRED FOR AN EXISTING TENANCY

A new tenancy must be approved and a new contract must be executed for an existing tenancy only under the following circumstances:

- If the owner or family request a new lease;
- If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances; or
- If there are changes to provisions governing the terms of the lease.

9.10 INFORMATION TO OWNERS

[24 CFR §982.307(b)]

The LACDA is required to provide prospective owners with the address of the applicant and the names and addresses of the current and previous owner if known. The LACDA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection. The LACDA will not release any other information regarding the family.

The LACDA will inform owners that it is the responsibility of the owner to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant [24 CFR §982.307(a)].

Information regarding the LACDA's policy on this subject is included in the briefing packet and as an attachment to the Request for Tenancy Approval. This policy will apply uniformly to all families and owners.

In addition to the information listed above, the LACDA provides owner workshops at least twice a year. At the workshops, current and prospective owners are given an overview of the program and information about any significant program changes. There is also ample time for a question and answer session.

9.11 OWNER DISAPPROVAL

[24 CFR §982.306(a) - §982.306(c)(4)]

For purposes of this section, "owner" includes a principal or other interested party, and to disapprove an owner means to prevent the participation of an owner in LACDA programs.

The LACDA is required to disapprove an owner for the following reasons:

- HUD has informed the LACDA that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24.
- HUD has informed the LACDA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed the LACDA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other Federal equal opportunity requirements.
- If the owner is the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of the family.

The LACDA also maintains the discretion to disapprove an owner for the reasons listed below. The LACDA may disapprove an owner for a period of 1 year for the following reasons:

- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes;
- The owner has not obtained a business license for rental property for the assisted unit, where required by local ordinance; or
- The owner has not paid State or local real estate taxes, fines or assessments.

An owner may be disapproved for a period of up to 5 years for the following reasons:

- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.
- The owner has a history or practice of failing to terminate tenancy of Section 8-assisted tenants, or tenants assisted under any other federally-assisted housing program, for activity engaged in by the tenant, any member of the household, guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of the LACDA, or of owner employees or other persons engaged in management of the housing;
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or commits drug related criminal activity or violent criminal activity.

An owner may be disapproved for a period of up to 10 years for the following reason:

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

If an owner disagrees with the LACDA's disapproval, the owner may appeal the decision in writing within 10 calendar days from receiving the LACDA's decision. A supervisor will review the appeal and prepare a written decision within 30 calendar days after receiving the request. The decision of the supervisor is final.

9.12 CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated. If the family does not report any change, the LACDA need not obtain new verifications before the HAP contract becomes effective.

If the contract is for a participant move and is processed as an annual reexamination, the family's income and other circumstances will be re-verified.

9.13 CONTRACT EXECUTION PROCESS

[24 CFR §982.305(c)]

Provided that the unit passes inspection, the LACDA will prepare the HAP contract for execution. The family and the owner will execute the lease agreement, and the owner and the LACDA will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents.

The LACDA makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed more than 60 calendar days after commencement of the lease term and no payments will be made until the contract is executed.

The following LACDA representatives are authorized to execute a contract on behalf of the LACDA: Housing Assistance Division Director, Assistant Director, Managers, Assistant Managers and Supervisors.

Owners must provide the current address of their residence (not a Post Office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit's address.

Owners must provide an Employer Identification Number or Social Security number, and may also be required to provide a copy of their driver's license or other photo identification.

9.13.1 Determining the Contract Effective Date

The effective date and the amount of the rental payment are communicated in writing to both the owner and family.

The lease and the terms of the tenancy are made effective at the LACDA's approval only. The earliest date the LACDA may approve the lease effective date is the date the unit passed HQS inspection.

The HAP contract is drafted after the LACDA approved lease is received and is effective in accordance with the lease effective date.

9.13.2 Prorating First Month's Rent

When the effective date of a new contract begins on a day other than the first of the month, the LACDA will determine a prorated contract rent amount. For consistency with rental industry standards, prorated amounts will be calculated by using the actual days in the month to establish a daily rate.

9.13.3 Proof of Ownership

The LACDA will use property profile information obtained from a private vendor to confirm ownership of the assisted unit. If third party information cannot confirm ownership of the unit, the LACDA may also request a recorded deed or closing escrow statement to prove ownership.

Owners may also be required to provide a copy of a business rental license if the assisted unit is in a city where one is required.

Any requested information must be provided prior to execution of the HAP contract. Failure to provide the requested information within a reasonable period of time, generally not more than 30 calendar days, will result in a cancellation of the RTA.

9.13.4 Establishing Eligibility to Execute HAP Contract and Related Documents

In cases involving multiple owners, the LACDA will accept the signature of a designee on all contracts and related paperwork if all the legal owners have jointly agreed on the person/persons who may act on their behalf.

In cases involving multiple owners, the LACDA requires that all persons who have interest in the property sign or provide a letter of authorization, giving one or more parties the right to sign contracts and other program documents.

In cases involving a partnership or corporation, the LACDA may request the partnership agreement or incorporation documents to determine who is designated to act on the group's behalf. In cases involving a trust, the LACDA may request a copy of the trust in order to verify the names of the trustees.

The LACDA will not execute a HAP Contract until all proper authorization, from all appropriate parties, has been provided. Failure to provide information needed to establish authority to execute the HAP contract within a reasonable time, generally 30 calendar days, may result in a cancellation of the RTA.

Once the LACDA has established proper authorization, the letter of authorization will remain in effect until superseded by another authorization or the HAP contract is terminated. All changes or modification to the instructions provided in the current letter of authorization must be provided in writing.

9.13.5 Payment to the Owner

[24 CFR §982.311(a)]

Once the HAP Contract is executed, the LACDA begins processing payments to the owner. Because the LACDA's sole method of payment to owners is direct deposit, new and existing owners must provide the necessary information for enrollment in the LACDA's direct deposit program. Payments will be made via direct deposit by the first of each month. Owners must notify the LACDA of any missing payments as soon as possible. The LACDA will accept report of missing payment both via a telephone call and/or in writing.

9.14 CHANGE IN OWNERSHIP

A change in ownership does not require execution of a new contract.

The LACDA will process a change of ownership only upon the written request of the previous or new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title and the Employee Identification Number or Social Security number of the new owner.

In order to complete a change of ownership, the new owner must complete an Assumptions of Obligations and Benefits contract. This form obligates the new owner to the HAP contract. The LACDA will provide this document once a written request for a change is received.

When the assumption contract has been executed, the LACDA will send a copy of it, along with a copy of the original HAP contract and lease, to the new owner.

If a change in ownership occurs due to a foreclosure, the new owner automatically assumes the obligations of the HAP contract. The LACDA will make every attempt to ascertain the identity of the new owner and obtain any documents necessary to release payments to the appropriate party.

New owners are subject to the LACDA's owner disapproval policy as detailed in Section 9.11 of this chapter.

CHAPTER 10: HOUSING QUALITY STANDARDS AND INSPECTIONS

10.1 INTRODUCTION

HUD requires that all units receiving housing assistance meet HUD's Housing Quality Standards (HQS) and permits the LACDA to establish additional requirements. The term "HQS" in this plan refers to the combination of both HUD and the LACDA's discretionary policies. HUD requires that HQS inspections be conducted before the Housing Assistance Payments (HAP) Contract is signed and at least Biennially during the term of the HAP Contract. This chapter explains the different types of inspections, the responsibilities of the owner and family, and the consequences for noncompliance with HQS by the owner and family.

10.2 TYPES OF INSPECTIONS

[24 CFR §982.405]

The LACDA conducts the following inspections, which will be explained in greater detail throughout the chapter:

- **New Contracts Inspections**: A unit must pass New Contract (initial) HQS inspection before the LACDA enters into a HAP Contract with the owner.
- **Biennial Inspections**: HUD requires that the LACDA inspect each unit under lease at least biennially to confirm that the unit still meets HQS.
- **Inspections at Other Times as Needed**:
 - **Interim Inspection**: HQS inspection conducted upon request of the owner, family or agency.
 - **Emergency Inspection**: HQS inspection conducted for life-threatening violations.
- **Quality Control Inspection**: The LACDA is required to conduct supervisor quality control HQS inspections.
- **Move-Out Inspection**: For its Moderate Rehabilitation Program, the LACDA may conduct a move-out inspection for contracts effective before October 2, 1995, at an owner's request, if a damage claim is to be submitted (see Section 20.13.4 for details on these inspections).

10.3 HOUSING QUALITY STANDARDS (HQS)

[24 CFR §982.401]

HQS is the minimum quality standards set forth by HUD for tenant-based programs. These standards are in place to ensure that assisted housing is decent, safe and sanitary. All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

Efforts will be made at all times to encourage owners to provide housing above the HQS minimum standards.

HQS applies to the building and premises, as well as the unit. In order for a unit to pass an HQS inspection, the following standards must be met.

10.3.1 Unit Space and Size

[24 CFR §982.401(d)(2)(i)]

At minimum, a living room, kitchen area, and bathroom must be located in the unit.

10.3.2 Living Room / Sleeping Room

[24 CFR §982.401(d)(2)(ii), [24 CFR §982.401(h)(2)(iv)], [24 CFR §982.401(f)]

- The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- There must be at least one window in the living room and in each sleeping room. If the window is designed to be openable, the window must open and close properly, and be large enough to provide emergency egress.
- The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
- Bedrooms must also have a built-in closet or wardrobe, be located within the unit (e.g., no garages), and be private (have a closing door separating it from the rest of the unit). Bedrooms should also be finished in a quality similar to other bedrooms in the home.
- In cases where an owner has modified the rental unit without obtaining the proper city and/or County building permits, the LACDA may rely on the legal property description for the purposes of negotiating the rent and determining how many actual sleeping rooms are in the rental unit.

10.3.3 Sanitary Facilities (Bathroom)

[24 CFR §982.401(b)], [24 CFR §982.401(h)(2)(iii)], [24 CFR §982.401(f)(2)(ii)]

- The bathroom must be located in a separate private room and contain a working flush toilet.
- Bathroom areas must have one openable window or other adequate exhaust ventilation.
- The unit must have a fixed sink. The bathroom sink may be located separately from other bathroom facilities, but the kitchen sink may not also be used for the bathroom sink.
- The unit must have a shower or tub in proper operating condition, with hot and cold running water. The shower or tub need not be in the same room with other bathroom facilities, but they must be private.
- All walls in a tub or shower area must be covered with ceramic tile or other material that is impervious to water to prevent water damage and deterioration.

- Sinks and commode water lines must have shut off valves, unless faucets are wall-mounted. All sinks in the unit must have functioning stoppers.
- The bathroom must have a permanent ceiling or wall light fixture in proper operating condition.
- All bathrooms in the unit must be in proper operating condition.

10.3.4 Food Preparation (Kitchen)

[24 CFR §982.401(c)], [24 CFR §982.401(f)(2)(ii)]

- The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner (i.e., kitchen).
- The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The stove and oven must be properly hooked up to the gas, with no hazards present. The refrigerator must be able to maintain a temperature sufficient to keep food from spoiling over a reasonable period of time. The equipment may be supplied by either the owner or the family.
- A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- The kitchen area must have a permanent ceiling or wall light fixture in proper operating condition, and at least one electrical outlet in proper operating condition.
- The dwelling unit must have a permanently attached kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must have a shut off valve, unless faucets are wall-mounted, and must drain into an approvable public or private system. All sinks in the unit must have functioning stoppers.
- There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

10.3.5 Ceilings, Walls, Floors and Building Exterior

[24 CFR §982.401(g)]

- The unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.
- Ceilings, walls, floors and fences must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

- Wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If the boards cannot be leveled, they must be replaced.
- The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- In areas where plaster or drywall is sagging, severely cracked, bulging or leaning, or has large holes, it must be repaired or replaced.
- The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable. Stairs with four or more steps must have a secure handrail.
- A porch or balcony at least 30 inches or more from the ground must have secure railings.
- The roof must be structurally sound and weather tight and must not have any serious defects, such as buckling or sagging. Gutters, downspouts and soffits must not show signs of serious decay and must not allow entry of significant air or water into the interior of the structure.
- The chimney must not be seriously leaning or showing evidence of significant disintegration.
- Building foundations must not have any severe structural defects that may create a hazardous condition, including allowing significant entry of ground water.

10.3.6 Windows

[24 CFR §982.401(f)(1)(ii)], [24 CFR §982.401(d)(2)(iii)]

- All window sashes must be in good condition, solid, intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.
- Windows must be weather-stripped as needed to ensure a weather tight seal.
- Windows must not have missing or broken-out panes, or panes that are dangerously loose or have large cracks.
- If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the system.
- Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches).
- Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.

10.3.7 Doors and Unit Access

[24 CFR §982.401(d)(2)(iv)], [24 CFR §982.401(k)]

- All exterior doors must be solid core and weather tight to avoid any air or water infiltration, have no holes, and have all trim intact.
- All interior doors must have no holes, have all trim intact, and be openable without the use of a key.
- All exterior doors must have dead bolt locks.
- The unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

10.3.8 Thermal Environment

[24 CFR §982.401(e)]

There must be a safe system for heating the unit, in proper operating condition. The heating unit must be affixed to the unit and be able to provide adequate heat, either directly or indirectly, to each room. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable. Portable heaters are not acceptable. Heating equipment also must not pose other unsafe conditions, such as improper flue connection or installation of equipment.

10.3.9 Electricity

[24 CFR §982.401(f)]

The unit must not contain any electrical hazards, such as exposed electrical connections; broken, non-insulated or frayed wiring; improper types of wiring, connections or insulation, or wires lying in or near standing water or other hazardous locations.

The improper installation of a three-pronged outlet is considered an electrical hazard. All three-pronged outlets must be properly grounded or protected by a ground fault circuit interrupter (GFCI) outlet. An outlet is considered protected by a GFCI outlet if:

- The outlet is a GFCI outlet; or
- A GFCI outlet is located up stream on the circuit from the ungrounded, three-pronged outlet and will shut off current to the ungrounded outlet in case of a surge in the electrical current; or
- The ungrounded, three-pronged outlet is located on a GFCI circuit.

10.3.10 Smoke Detectors/Carbon Monoxide Detectors

[24 CFR §982.401(n)]

Smoke Detectors

- Each assisted unit must be equipped with at least one properly working battery-operated or hard-wired smoke detector on each level of the unit.

- Whenever possible, smoke detectors should be installed in a hallway adjacent to a bedroom.
- If an assisted unit is occupied by a household with hearing-impaired persons, a permanently installed smoke detector designed for people with hearing-impaired persons must be located in each bedroom that is occupied by a hearing-impaired person.

Carbon Monoxide Detectors

In order to reflect California law (The Carbon Monoxide Poisoning Prevention Act of 2010), the LACDA requires carbon monoxide detectors be installed as follows: Any unit having a fossil fuel burning heater or appliance, fireplace, or an attached garage must have a carbon monoxide detector installed. (A fossil fuel is coal, kerosene, oil, wood, fuel gases, and other petroleum or hydrocarbon products that emit carbon monoxide as a byproduct of combustion)

Placement of the device should be as follows:

- There must be one carbon monoxide detector centrally located outside of each separate sleeping area in the immediate vicinity of the bedrooms, and each detector shall be located on the wall or ceiling. Any other location is only acceptable if specified in the installation instructions that accompany the device. If there are distinctly separate sleeping areas in the unit, there must be a detector for each sleeping area.
- There must be at least one Carbon Monoxide detector on each level of the unit.
- Carbon Monoxide detectors cannot be installed directly above, or next to a fuel burning appliance.
- If the device is a combination carbon monoxide device and smoke detector, then the combined device must emit an alarm or voice warning in a manner that clearly differentiates between a carbon monoxide alarm warning and a smoke detector warning.

Units that do not meet the requirements outlined above will fail the Housing Quality Standards (HQS) inspection, and will be subject to rejection or abatement in accordance with HUD regulations and LACDA policy.

10.3.11 Neighborhood and Site Conditions; Sanitation and Environment

[24 CFR §982.401(l)], [24 CFR §982.401(m)]

- The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade. These can include dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

- Adequate covered facilities for the disposal of rubbish must be present at the site, such as covered dumpsters and other covered refuse containers approvable by the local health and sanitation department.
- The unit and its equipment must be in sanitary condition, and free from vermin and rodent infestation.

10.3.12 Elevators
[24 CFR §982.401 (g)(2)(v)]

All elevators in a building must be operating safely. The LACDA requires all elevators to have a current permit issued by the State of California. If the permit is expired and the owner can provide documentation from the State of California that the application is being processed, the LACDA will pass the elevator in accordance with Section 7302 of the Labor Code as long as there are no obvious safety concerns present.

10.3.13 Manufactured Homes/Mobile Homes HQS Requirements
[24 CFR 982.621]

In addition to meeting all other HQS requirements, a mobile home must meet the following requirements:

- It must be situated on a site that is stable and free from hazards such as sliding or wind damage.
- Must be appropriately anchored by a tie down device that distributes and transfers the load imposed by the unit to appropriate ground anchors to resist wind overturning and sliding. Alternative types of anchors, beams and foundation bolts are permissible if they meet manufacturer's specifications.
- One operable smoke detector is required.

10.3.14 Additional Housing Quality Standards
[24 CFR §982.401(a)(4)]

The LACDA is authorized to enhance HQS, provided that by doing so the LACDA does not overly restrict the number of units available for leasing. The enhancements adopted by the LACDA are meant to ensure that assisted units are safe in relation to other units rented throughout Los Angeles County.

In addition to the HQS identified by HUD, all assisted units must also be in compliance with the following items derived from California and Los Angeles County Code, in order to pass an HQS inspection.

- **Double Cylinder Locks:** Double-keyed deadbolts, or any other lock requiring special knowledge or a tool to open, are prohibited in a residential unit. All doors that provide an exit from the residence must be openable from the inside without the need of a key or any other special knowledge, effort or tool.
- **Swimming Pools:** Swimming pools in multifamily structures must be enclosed by a gate from 48 inches to 60 inches tall. The gate must be self-

closing with a self-closing latch and a protected panel must surround the latch.

- **Hot Water Heater:** Water heaters must have a temperature-pressure relief valve and discharge line (directed toward the floor or outside of the living area) as a safeguard against build-up of steam if the water heater malfunctions. Gas or oil-fired water heaters must be vented into a properly installed chimney or flue leading outside. Electric water heaters do not require venting. A gas water heater must have a safety divider or shield if it is located in a bedroom or other living area.

If the water heater is located in a large apartment building (at least 25 units) and the unit is inaccessible, staff must check inconclusive on the inspection report. The item may be cleared if the owner or manager can provide documentation to show it has passed a local inspection.

- **Earthquake Straps for Water Heaters:** Must be secured for seismic stability. All water heaters must be braced, anchored or strapped to prevent falling or movement during an earthquake.
- **Garages:** Garages, whether attached or detached, must be accessible. Garages are not to be used as a living space.

10.3.15 Single Room Occupancy (SRO) HQS Requirements **[24 CFR §982.605]**

The HQS requirements outline in the above sections (specifically in §982.401) apply to SRO housing. However, the standards in this section apply in place of §982.401(b) (sanitary facilities), §982.401(c) (food preparation and refuse disposal), and §982.401(d) (space and security). Since the SRO units will not house children, the housing quality standards in §982.401(j), concerning lead-based paint, do not apply to SRO housing.

- **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 for the building, appropriately marked and leading to a safe and open space at ground level.
- **Fire Safety:** All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways and common areas. SROs must also have hard-wired smoke detectors.
- **Sanitary Facilities:** At least one flush toilet that can be used in privacy, a lavatory basin, 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 reasonable accessible from a common hall or passageway, and may not be located more than one floor above the SRO unit. They may not be located below grade unless the SRO units are located on that level.

- **Space and Security:** A 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 the outside the SRO unit must be lockable.

10.3.16 Serious Deficiencies

Assisted units must meet all HQS performance requirements in order to pass an inspection. The LACDA has compiled the following list of specific conditions that are considered serious deficiencies that may cause a unit to fail an inspection. This list assists inspectors in making a determination regarding the condition of an assisted unit; however, deficiencies are not limited to this list:

1. No TPR/Drainpipe on water heater
2. Clogged toilets/sinks/wash basins/bathtubs
3. Severely worn or torn floor coverings posing a tripping hazard
4. Evidence of vermin infestation (fleas, roaches, termites, mice, and rats) in and around assisted unit
5. Excessive rubbish or debris in or around the assisted unit
6. Heavy accumulation of brush, weeds or tree branches near or extending over the assisted unit or in the power lines
7. Uneven, broken or lifting exterior walkways or driveways that pose a tripping hazard
8. Missing, loose or broken handrails, guardrails or balusters
9. Lack of windows in living or sleeping rooms
10. Lack of exterior ventilation (window or exhaust fan) in bathroom
11. Flammable or combustible materials stored near water heater or furnace
12. Missing or inoperable security bar release mechanism on bedroom windows
13. Evidence of sewage in or around assisted unit
14. Exterior doors or windows that do not open, close or lock properly
15. Exterior doors or windows that do not close and form a reasonably weather tight seal
16. Inoperable refrigerator or stove/range/oven
17. Hot water heaters not seismically restrained

10.4 LEAD-BASED PAINT

[24 CFR §982.401(j)]

The LACDA's rental assistance programs are subject to the requirements of the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Applicable regulations are detailed in 24 CFR §35.

The LACDA will be responsible for the collection of LBP disclosure information; conducting Visual Assessment inspections; assuring that Clearance Examinations are conducted; collect data regarding Elevated Blood Lead Level (EBLL) cases, and informing owners of their responsibilities.

10.4.1 Disclosure

[24 CFR §35(Subpart A)]

Owners of units built before 1978 are required to disclose to lessees all available information about the presence of lead-based paint or lead-based paint hazards and provide any available record or reports pertaining to the presence of lead-based paint or lead-based paint hazards, before the lease is enacted.

Lessees must also receive a copy of the lead hazard information pamphlet, "Protect Your Family From Lead in Your Home."

For all new contracts, the LACDA will require owners to certify on the RTA that they have met all applicable lead-based paint disclosure requirements. If applicable, the LACDA will require owners to submit a copy of the lead-based paint disclosure statement, and any inspection reports.

The LACDA will include a sample lead-based paint disclosure form and a lead hazard information pamphlet in voucher issuance packets for participants. Materials will be made available directly to owners upon request.

For units built before 1978, the LACDA will not approve an owner lease without receiving all applicable lead-based paint disclosure information.

10.4.2 Lead-Based Paint Visual Assessment

[24 CFR §35.1215]

The LACDA is required to conduct lead-based paint visual assessments for all units built prior to 1978 that house or will house a child or children under 6 years of age, at the time of the new contract inspection and at re-inspections.

The LACDA inspectors conducting lead-based paint visual assessments will be trained according to HUD requirements.

The purpose of the visual assessment is to identify any deteriorated paint. Deteriorated paint is paint that is peeling, chipping, chalking or cracking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate. Inspectors will check the condition of painted surfaces. If any deteriorated paint is found in the course of the inspection, the unit will fail the lead-based paint visual assessment. Owners must perform paint stabilization on all deteriorated paint surfaces regardless of the size of the deteriorated surface. If the amount of deteriorated paint is below the de minimis level, the owner must perform paint stabilization, but is not required to perform lead-safe work practices and clearance. The de minimis thresholds are defined as 20 sq. ft. (2 sq. meters) on exterior surfaces; 2 sq. ft. (0.2 sq. meters) in any one

interior room or space; or 10% of the total surface area on an interior or exterior type of component with a small surface area (such as window sills, baseboards, and trim).

If deteriorated paint exceeds the de minimis thresholds as defined by HUD, the unit will fail the lead-based paint visual assessment and require stabilization and a clearance report

10.4.3 Stabilization and Clearance

[24 CFR §35.1215]

Owners of units that fail the lead-based paint visual assessment above de minimis levels will be required to stabilize deteriorated paint in order for the unit to pass, using lead-safe work practices.

The LACDA will send a letter to owners of failed units that provides guidance on stabilizing paint and other required activities. Owners will have 30 calendar days from the letter date to complete the following:

- **Repair the deteriorated paint.** Work must be performed by certified lead workers using lead-safe work practices. The LACDA will provide owners with resources and information on meeting these guidelines.
- **Obtain a Clearance Report.** A contractor certified by the Environmental Protection Agency (EPA) must inspect the unit and prepare a Clearance Report summarizing the work completed and the inspection results.
- **Complete the LACDA's Lead-Based Paint Owner Certification form.** The owner must certify that all applicable requirements have been met.
- **Submit Clearance Report and Certification to the LACDA.** The LACDA will accept paperwork by mail, fax, and hand delivery.

The owner is responsible for informing tenants of all lead hazard reduction work and evaluations, in a manner consistent with HUD regulations.

If the unit has been previously certified free of lead-based paint by a certified inspector, the owner may submit a copy of the inspector's report, along with the certification form, to the LACDA.

The LACDA will review the Clearance Report and certification form for completeness. The Clearance Report must contain all information required by HUD. If the Clearance Report passes, the unit will receive a pass on the visual assessment; no further inspection visit is required.

On new contracts inspections, the passing Clearance Report and valid certification form must be received by the LACDA before the LACDA can enter into a HAP Contract with the owner. If this does not take place within 30 calendar days, the LACDA will cancel the RTA.

For biennial inspections, if the owner fails to submit the passing Clearance Report and valid certification form within 30 calendar days, the Housing Assistance Payments (HAP) will be placed on hold (abated) for the unit and the participant will be issued a voucher. The owner will have an additional 60 calendar days to obtain

and submit a valid Clearance Report before the HAP Contract is terminated. See Section 10.11.1 for details on abatement.

Assisted Housing's Director will review reasonable cause requests for extension. Extension requests must be submitted in writing within the first 30 calendar days of the failed lead-based paint visual assessment. An extension shall not extend beyond 90 days after the date of notification to the owner of the results of the visual assessment. If an extension is approved, the HAP will not be abated during this extension period. Reasonable cause circumstances include prohibitive weather conditions, financial hardship, and rehabilitation in progress.

10.4.4 Children with Environmental Intervention Blood Lead Levels

[24 CFR §35.1225]

On a quarterly basis, the Division will send the Los Angeles County Department of Health Services Childhood Lead Poisoning Prevention (CLPP) Program the addresses of assisted families with children under the age of 6. CLPP Program staff will check the addresses for matches with cases of identified Environmental Blood Lead Levels (EBLL). If a match is found, CLPP Program staff will conduct an Environmental Investigation of the occupied unit and forward a report to the Division. An Environmental Investigation is a comprehensive evaluation for LBP hazards that goes beyond the Visual Assessment component including paint testing, and dust and soil sampling. The Environmental Investigation Report identifies lead hazards and appropriate lead hazard reduction methods.

A copy of the Environmental Investigation Report must immediately be forwarded to the participating owner once received by the Division. The owner must post a Notice of Lead Hazard Evaluation within 15 calendar days and complete lead hazard reduction and clearance activities as advised in the Report within 30 calendar days.

The LACDA must also conduct a Risk Assessment of other assisted units at the same property that house children under the age of 6, within 30 calendar days of receiving the Environmental Investigation Report, if lead hazards were identified.

The LACDA is not allowed to assist any other participant in the unit until the owner complies with the Report.

If informed about an EBLL case from a source other than the CLPP Program, the Division must submit the information to the CLPP Program within 5 calendar days. The CLPP Program will conduct an Environmental Investigation of the occupied unit if required.

10.5 INSPECTIONS SCHEDULE

Inspections are conducted on business days between the hours of 7:00 a.m. and 5:00 p.m. An individual over 18 years of age must be present to allow entry for the inspector.

10.6 NEW CONTRACT (INITIAL) INSPECTIONS

[24 CFR §982.305(b)(2)(i)(B)]

Under normal circumstances, a new contract (initial) inspection is conducted within 15 calendar days following the receipt of a Request for Tenancy Approval. The new contract inspection is conducted in order to:

1. Determine if the unit, including common areas, meets housing quality standards.
2. Document the current condition of the unit. This will serve as the basis to evaluate the future condition of the unit, i.e. excessive wear and tear.

10.6.1 When HQS Deficiencies Must Be Corrected

If the unit fails the initial inspection, the unit will be scheduled for a follow-up inspection within 10 calendar days. The owner will be given 30 calendar days to correct the deficiencies. The owner can request an inspection sooner if repairs have been made prior to the scheduled follow-up inspection date.

If the time period given by the LACDA to correct the deficiencies has lapsed, or the maximum of three failed inspections has occurred, the family must select another unit.

The LACDA will not enter into a HAP Contract with the owner until the unit passes the inspection. However, the family may already be in the unit when the new contract inspection is conducted. If the family lives in the unit at the time of the new contract inspection, they are responsible for meeting their HQS obligations. See Section 10.8 for details of the family's HQS obligations.

10.7 BIENNIAL AND INTERIM INSPECTIONS

[24 CFR §982.405]

10.7.1 Biennial Inspections

HUD requires each unit under HAP contract have a biennial Housing Quality Standards inspection no more than 24 months after the most recent initial or biennial inspection.

As permitted by HUD and at the LACDA's discretion, the LACDA may meet its biennial inspection requirement by accepting a comparable passed inspection performed under the HOME Investment Partnership (HOME) program or housing financed using Low Income Housing Tax Credits (LIHTCs), or inspections performed by HUD.

As stated in the family obligations, the family must allow the LACDA to inspect the unit at reasonable times and after reasonable notice. The LACDA will notify the family and/or owner of the date and time of the scheduled inspection appointment in writing at least 15 calendar days prior to the inspection.

Appointments may be rescheduled before the scheduled inspection as long as the new inspection date allows the LACDA to remain in compliance with HUD HQS requirements. Inspections may be rescheduled by phone, fax or email.

If the family misses the inspection appointment and fails to contact the LACDA to reschedule the inspection beforehand, the LACDA will consider the family to be in violation of the Certified Statement of Family Obligation agreement and will initiate

termination procedures in accordance with the LACDA's policy for proposed termination. If the family missed the inspection appointment for good cause, including but not limited to, illness, injury, or hospitalization, the LACDA may consider, on a case by case basis, evidence to support the reason for the missed appointment before proposing termination. If it is the first time the family missed an inspection appointment without good cause, a one-time counseling session will be conducted with the family in lieu of proposing termination.

10.7.2 Interim Inspections

Interim inspections are conducted at the request of the owner, family, or agency (usually as a result of a violation of HQS or violation of the lease). Interim inspections may be scheduled and conducted at any time of the year.

10.8 FAILED INSPECTIONS: DETERMINATION OF RESPONSIBILITY **[24 CFR §982.404]**

10.8.1 Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Family-paid utilities not in service.
- Failure to provide or maintain appliances owned by the family.
- Damages to the unit or premises caused by a household member or guest beyond normal wear and tear that results in a breach of the HQS.
 - "Normal wear and tear" is defined as items that could be charged against the family's security deposit under state law or court practice.

10.8.2 Owner Responsibilities

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

10.9 FAILED INSPECTIONS: WHEN DEFICIENCIES MUST BE CORRECTED **[24 CFR §982.404(a)(b)]**

10.9.1 Emergency Fail Deficiencies

Items that endanger the family's health or safety are considered emergency fails. These deficiencies must be corrected within 24 hours of inspection. The following deficiencies are considered life-threatening, emergency fails, and will cause a unit to be labeled uninhabitable:

- Gas leaks
- Major plumbing problems

- No running water
- No functioning toilet
- Unstable roof/structure

In cases where the unit is deemed uninhabitable, the family will be issued a voucher within 24 hours so that they can make arrangements to secure another residence if necessary.

If an emergency fail deficiency is not corrected in the time period required by the LACDA, and the owner is responsible, the housing assistance payment will be abated immediately and the contract will be terminated.

If repairs are completed and the family wishes to move back into the unit, a new RTA will need to be submitted for that unit and the New Contract Process will need to be completed again.

If the emergency fail deficiency is not corrected in the time period required by the LACDA, and the family is responsible, the LACDA will terminate the family's assistance for violating family obligations (see Chapter 15: Termination of Assistance), but will not abate the payment to owner for that month.

10.9.2 Non-Emergency Fail Deficiencies

Biennial or Interim inspections that result in non-emergency deficiencies that cause a unit to fail must be corrected within 30 calendar-days.

Non-emergency deficiencies include, but are not limited to:

- Inoperable gas wall or floor heater
- Damaged (not missing) outlet covers
- Inoperable secondary smoke detectors
- Presence of vermin/roaches (not infestation)
- Minor faucet and/or plumbing leaks

The family and owner will be notified of the failed items and next scheduled inspection in writing. Owner related non-emergency deficiencies will not require a follow-up inspection if cleared by an owner certification and appropriate third-party verification. If the owner opts to submit a certification it must be signed by both owner and participant. Appropriate third-party documentation must also be supplied to support the certification. Types of appropriate verifications include but are not limited to:

- Photo(s) of the repair,
- Utility receipt, and
- Vendor receipt or invoice.

If the certification is not approved by a supervisor, a follow-up inspection must be performed. Non-emergency deficiencies for units under the Project-Based Voucher program may not be cleared remotely. A follow up inspection must be conducted.

If the necessary repairs have been completed prior to the next scheduled inspection and have not been cleared by a certification signed by both owner and participant, the owner or tenant may request an earlier inspection date. Requests

for earlier repair dates will be reviewed and accommodated in a case-by-case basis.

For major repairs, the Inspections Unit Supervisor or Manager may approve an extension beyond 30 calendar days. However, the extension granted cannot exceed 60 calendar days.

If owner-caused deficiencies are not corrected in the time period required by the LACDA, housing assistance payments will be abated and the contract may be terminated. If family-caused deficiencies are not corrected in the time period required by the LACDA, housing assistance may be terminated. See Sections 10.10 and 10.11 below for more information.

10.10 CONSEQUENCES OF VERIFIED FAMILY-CAUSED DEFICIENCIES

[24 CFR §982.552(a)]

The family has a responsibility to maintain the assisted unit in good condition and to notify the owner of needed repairs. Under HQS, the family is responsible for correcting any HQS violation listed in section 10.8.1 of this chapter. If non-emergency violations of HQS are determined to be the responsibility of the family, the LACDA will require the family to make any repair(s) or corrections within the 30 calendar-day cycle.

Housing assistance will be terminated if an assisted unit continues to fail housing inspections for family-caused deficiencies or the family fails to keep scheduled appointment(s). See Chapter 16 (Informal Reviews/Hearings) for more information regarding a family's right to an informal hearing under a termination of housing assistance for a breach of the HQS caused by the family.

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

Extensions will be granted on a case-by-case basis and must be approved by the Unit Supervisor. Extensions may be granted as a reasonable accommodation in accordance with sections 1.9.2 and 7.11.10.

If it has been concluded that all deficiencies are family-caused, the owner's rent will not be abated for such items.

10.11 CONSEQUENCES OF VERIFIED OWNER-RELATED DEFICIENCIES

[24 CFR §982.404(a), 24 CFR §982.452 and 24 CFR §982.453]

The owner is responsible for maintaining the unit in accordance with HQS. When it has been determined that an assisted unit fails to meet HQS, the owner of that unit is responsible for completing the necessary repair(s) in the time period specified by the LACDA. If the owner fails to correct deficiencies within the specified time period, the LACDA is obligated to withhold (abate) housing assistance payments.

10.11.1 Abatement

[24 CFR §982.453(b) and 24 CFR §982.404(a)(3)]

Abatement is defined as withholding Housing Assistance Payments (HAP) to the owner for the period of time the unit is out of compliance with HQS requirements.

HAP will be abated if:

1. The assisted unit fails the first and second housing inspections due to owner-related deficiencies.

If a unit fails the first inspection due to owner-related deficiencies, the notice sent to the owner stating the deficiencies, repairs that need to be made, and the date of the next inspection will also serve as notice that HAP will be abated if the unit fails a second inspection due to owner-related deficiencies.

If, after the 30-day correction period, the unit then fails the second inspection due to owner-related deficiencies, the LACDA will stop payment on the first day of the month following the expiration of the 30-day correction period.

The owner will be notified of the date of a final inspection. Under normal circumstances, the LACDA will inspect an abated unit within 30 calendar days after the abatement notification has been issued.

If the owner makes repairs during the abatement period, HAP payments will resume on the day the LACDA's inspector has verified the corrections and the unit passes inspection.

A standard calculation using the actual days in the month to establish a daily rate will be used to reconcile abatement payments. No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the family is not responsible for the LACDA's portion of rent that is abated. However, the family is responsible to pay its portion of the rent while abatement is in effect.

If an assisted unit fails the third and final housing inspection for owner-caused deficiencies, the LACDA will terminate the HAP Contract. The LACDA will notify the owner of the termination in writing 30 calendar days before it becomes effective. Abatement will remain in effect until the effective date of the termination.

The LACDA is prohibited from implementing rent abatement for family-caused deficiencies. However, abatement will apply if family-caused and owner-related deficiencies exist together.

2. The LACDA has verified that the assisted unit has emergency fail deficiencies, and the owner did not complete the necessary repairs within the required timeframe.

3. A unit built before 1978 that houses or will house a child under 6 years of age fails the lead-based paint visual assessment, and the owner fails to submit a complete, passing clearance report and certification within 30 calendar days. If a unit fails the lead-based paint visual assessment, the owner will have 30 calendar days from the date of the notice to perform clearance and submit passing paperwork. If the owner fails to meet these requirements (see Section 10.4 for more information on lead-based paint), HAP will be abated and the LACDA will stop payment on the first day of the

month following. The participant will be issued a voucher. The owner will have an additional 60 calendar days to obtain and submit a valid Clearance Report before the HAP Contract is terminated.

Families that reside in units that have been abated will be issued a voucher and will have the option to move even if the assisted unit passes inspection at the third and final inspection (this excludes participants of the Moderate Rehabilitation Program).

10.11.2 Termination of Contract

[24 CFR §982.453(b)]

When the HAP Contract has been terminated, the family will be required to move in order to continue receiving rental assistance.

RTA submitted for units that have been terminated due to abatement will be reviewed on a case-by-case basis. In cases where the RTA is accepted, the family will be brought in for counseling on their situation.

10.12 QUALITY CONTROL INSPECTIONS

[24 CFR §982.405(b)]

To ensure efficient program operations, it is essential for management to apply sound quality control practices. The purpose of quality control inspections is to objectively ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of HQS.

Quality control inspections will be performed by a Quality Assurance Representative according to SEMAP Indicator #5 which meets the minimum quality control sample size for the number of units under HAP contract during the last completed LACDA fiscal year for SEMAP.

CHAPTER 11: SETTING PAYMENT STANDARDS AND DETERMINING RENT REASONABLENESS

11.1 INTRODUCTION

[24 CFR §982.503]

The LACDA is responsible for ensuring that the rents charged by owners are reasonable based upon objective comparables in the rental market. When the LACDA has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the rental assistance programs. This chapter explains the LACDA's procedures for setting and adjusting the payment standards and performing rent reasonableness analysis.

11.2 PAYMENT STANDARDS FOR THE VOUCHER PROGRAM

[24 CFR §982.503(b)(1)]

HUD regulations allow the LACDA to set Payment Standards at a level that is between 90 percent and 110 percent of the Fair Market Rent for Los Angeles County. The LACDA must revise the payment standard amount no later than 3 months following the effective date of the published FMR if a change is necessary to stay within the basic range. The LACDA must set the payment standard at a level that is high enough to ensure that families are able to afford quality housing while also balancing the need to provide assistance to as many families on the waiting list as possible.

The LACDA will review the payment standards at least annually to determine whether an adjustment should be made for some or all unit sizes. The following provides a list of the factors that will be used to evaluate the adequacy of the payment standard and/or be used to make a determination to adjust standards, as appropriate.

As a reasonable accommodation, a family may request a higher payment standard. The LACDA may, at its discretion and in accordance with sections 1.9.5, approve a higher payment standard to 120% of the prevailing Fair Market Rent (FMR).

11.2.1 Assisted Families' Rent Burdens

The LACDA will review reports showing the percent of income used for rent by voucher families to determine the extent to which the rent burden is more than 50 percent of income.

If more than 40 percent of program families in the overall program, or for a specific unit size, are contributing in excess of 50 percent of their adjusted monthly income towards rent, the LACDA will consider increasing the voucher payment standards. The payment standard will not be raised if:

- The payment is already at the maximum level HUD will allow (110%).

- The LACDA would have to reduce the number of new admissions by 20 percent or more for the upcoming year in order to fund the increase.

11.2.2 Success Rate of Voucher Holders

The LACDA will periodically review the success rate of voucher holders. If 25 percent or more of new admissions and/or families wishing to move are unable to use the vouchers due to current rental rates in Los Angeles County, the LACDA will consider increasing the payment standard for particular unit sizes and/or the entire program, as appropriate.

The payment standard will not be increased if:

- The payment is already at the maximum HUD will allow (110%)
- The LACDA would have to reduce the number of new admissions by 20 percent or more for the upcoming year in order to fund the increase

11.2.3 Rent Reasonableness Database

The LACDA will review the rent information in the rent reasonableness data bank and compare it to the payment standards established for the Housing Choice Voucher Program. If the rent reasonableness review indicated that the payment standards are higher than the average rental unit in Los Angeles County, the payment standard for the specific unit size, or all payment standards, will be lowered to reflect the current market rents.

11.2.4 Quality of Units Selected

The LACDA will review the quality of units selected by participant families before determining any change to the Payment Standard to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

11.2.5 File Documentation

A file will be retained in the LACDA's Administrative Support Unit for at least 3 years to document the analysis and findings to justify whether or not the Payment Standard was changed.

11.3 RENT REASONABLENESS DETERMINATIONS

[24 CFR §982.507]

The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit that is rented with Section 8 subsidized rental assistance.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD requires that owner not charge more for assisted units than for comparable units on the premises. By accepting the LACDA payment each month, the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must provide the LACDA information regarding rents charged for other units on the premises.

As required by HUD, the LACDA will obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements §982.352(b).

This section provides the methods LACDA uses to determine a unit's rent is reasonable.

11.4 WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

11.4.1 LACDA and HUD initiated Rent Reasonableness Determinations

HUD requires LACDA make a redeterminations of rent at the HAP contract anniversary if there is a 10 percent decrease in the published fair market rent (FMR) in effect 60 days before the HAP contract anniversary. The LACDA may also re-determine reasonable rents at any time.

11.4.2 Owner Initiated Rent Determinations

The LACDA must make a rent reasonableness determination at initial occupancy. At initial occupancy, the LACDA must determine the proposed rent reasonable before executing a HAP contract. Subsequent requests must be in accordance with the lease between the owner and the family. Subsequent requests must also be in accordance with HUD requirements and the LACDA policy.

As stated in the HUD Tenancy Addendum, the owner must notify the LACDA at least 60-days before the proposed effective date of the intended rent increase. The tenant must be notified in writing, at least 60-days before the proposed effective date of the intended rent increase. In accordance with the HUD Tenancy Addendum, the LACDA will disapprove requests made during the initial term of a lease. Requests can be made any time after the initial term of the lease.

As authorized by the HAP contract, the LACDA will not approve a rent increase if the HAP contract is in abatement for owner-related HQS deficiencies.

The LACDA will use the same criteria defined in this rent reasonableness determinations and methodology section to ensure a request for a rent increase meets HUD's rent comparability requirement. If the asking rent is determined not be reasonable, the LACDA will advise both the owner and the family that the increase cannot be approved. If a partial rent increase can be approved, the LACDA will notify the owner, and process the partial increase upon owner approval. Additionally, the rent will be reduced if the existing rent exceeds the reasonable rent as most recently determined in accordance with section 11.3 of this Plan.

Rent adjustments will be effective the first of the month following 60-days of LACDA's receipt of a copy of the owner's request or on the date specified by the owner, whichever is later.

11.4.3 Rent Determination for units with Low Income Housing Tax Credits (LIHTC) or HOME-funded subsidies

When the proposed rent for a LIHTC or HOME unit is equal to or less than the rent for similarly assisted units in the same building, not occupied by voucher holders, the proposed rent will be deemed reasonable.

The LACDA will not approve rents in LIHTC-funded or HOME-funded units that exceed the higher of the voucher payment standard, as set by the LACDA, or the rent for similarly assisted units in the same building, not occupied by voucher holders.

11.4.4 RENT REDUCTIONS

At any time, the owner may request a reduction of the contract rent by submitting a written notice to the LACDA. The notice must state the requested contract rent amount and the effective date of the reduction.

Retroactive reductions will only be considered if the owner is mandated to reduce the contract rent in order to become compliant with the obligations of any other rental assistance programs such as the HOME program or the Low Income Housing Tax Credit (LIHTC) program. In such cases, the owner must provide a copy of the notice requiring a retroactive reduction of the contract rent.

11.5 METHODOLOGY USED FOR ESTABLISHING UNIT COMPARABILITY

The LACDA contracts with an outside agency to provide a Rent Comparable System. The system considers a variety of criteria to provide rent comparable information, including:

- Unit Location
- Quality
- Size
- Type
- Age of the contract unit
- Amenities
- Housing services
- Maintenance; and
- Utilities provided by the landlord.

The rent comparable system gathers open market rental data on an ongoing basis from websites and newspapers and applies a hedonic price analysis to compare a subject unit with similar comparable units in a geographic area. Comparable units represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions are not considered comparable units.

CHAPTER 12: RE-EXAMINATION

12.1 INTRODUCTION **[24 CFR §982.516(a)]**

To assure that tenancy is restricted to participants meeting the eligibility requirements for continued occupancy and are charged appropriate rents; the eligibility status of each participant is re-examined at least annually, based on the anniversary date, per HUD requirements. The initial contract establishes the anniversary date for all new admissions. For continuing participants, the anniversary date established as of November 1, 2010 will remain unchanged.

The effective date of an annual reexamination may be no more than twelve months from the effective date of the previous year's annual reexamination, or the anniversary date of the HAP contract if within the first year of the contract.

12.1.1 Procedure

To maintain program efficiency and integrity, the LACDA at its own discretion may conduct re-examination interviews by mail or in-person. The LACDA will attempt to conduct all annual re-examinations interviews through the mail or via the portal. Annual re-examinations not completed through the mail or via the portal, will be conducted in person.

12.2 RE-EXAMINATION NOTIFICATION TO THE FAMILY

Participating families are advised of the annual re-examination requirement and the importance of reporting income and family composition changes as they occur during the initial re-examination.

12.2.1 Persons with Disabilities **[24 CFR §8.24(a)]**

Persons with disabilities who are unable to come in to the LACDA's office will be granted a reasonable accommodation of conducting the interview at the person's home or by mail, upon verification that the accommodation requested meets the need presented by the disability.

12.2.2 Requirements to Attend

If it is determined that a participant (family) will need to come to the LACDA's office then all adult household members 18 years and older will be required to attend the re-examination interview.

12.2.3 Failure to Respond

If a family fails to complete or return the required re-examination documents within the specified timeframe, the LACDA will schedule the family for a mandatory appointment. The appointment letter will provide the date and time of the appointment and a list of items that family will need to bring.

If the family fails to attend the appointment or fails to bring all the required information, the LACDA may proceed to propose termination of the family's assistance.

If the family is able to provide documentation of an emergency situation that prevented them from completing the required re-examination documents or attending the mandatory appointment, the Unit Supervisor at his/her own discretion may, on a case-by-case basis reschedule the appointment. The LACDA may also grant an exception to this policy as a reasonable accommodation.

12.2.4 Documents Required from the Family

The re-examination documents will include instructions and appropriate forms that need to be submitted to complete the re-examination. The required forms and documentation are the following:

1. Documentation of income for all family members;
2. Documentation of assets;
3. Documentation of medical or child care expenses;
4. Certified statement of family obligations;
5. Consent for Release of Information (signed by all household members over 18 years of age); and

Verification of these documents will be conducted in accordance with LACDA procedures and guidelines described in this plan.

12.2.5 Effective Dates

If the tenant rent increases, a 30-day notice of increase in rent is sent to the family before the anniversary date.

If less than 30 calendar days are remaining before the anniversary date, the new tenant rent will be effective on the first of the month following the 30-day notice, but the reexamination will be effective no more than 12 months from the effective date of the last annual reexamination. If the LACDA was unable to process the re-examination on a timely basis due to the family's failure to provide re-examination documents, then the rent increase will be effective retroactive to the appropriate anniversary date.

If the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the anniversary date. In this particular case, the owner will receive a retroactive HAP payment and every effort will be made to recover lost rent from the tenant.

12.3 INTERIM RE-EXAMINATION **[24 CFR §982.516(c)]**

Interim Reexaminations can be scheduled when the LACDA has reason to believe that changes in income or expenses have occurred, or when the family reports a change. When a family reports a change, the LACDA may take different actions depending on

whether the family reported the change voluntarily, or because the family was required to do so.

12.3.1 LACDA-Initiated Reexaminations

LACDA-initiated interim reexaminations are those that are scheduled by the LACDA based on the following circumstances.

- If at the time of the Annual Reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the LACDA will schedule a reexamination on a quarterly basis until it is feasible to project income.
- If at any time, the family is legitimately determined to be a zero-income family, the LACDA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income. The head-of household and each adult family member will be required to submit a completed Household Expense Report to document expenses for the prior 3-month period. The family may be required to undergo a credit report review and attend an in-person interview.
- If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the LACDA will conduct an interim reexamination.
- For Families receiving the Earned Income Disallowance (EID), the LACDA will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).
- The LACDA may conduct an interim reexamination at any time to correct an error in a previous reexamination, or to investigate tenant fraud.

Families whose past employment has been sporadic, or that are on welfare, become employed then subsequently unemployed, or are self-employed, will not be scheduled for a LACDA-initiated reexamination. If such an income pattern has been established and is expected to continue, then a reasonable 12-month estimate of the income may be based on past income and present rate.

12.3.1 12.3.2 Family-Initiated Interim Reexaminations

24 CFR 982.516(b)(2) and 24 CFR 982.516(c)

HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination. In addition, the LACDA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses

➤ Required Reporting

[24 CFR 982.516(b)(2)]

Families are required to report all changes in earned and unearned income, assets, expenses, full-time student status, and family circumstances within 10 calendar days of the date the change takes effect.

Families will be required to pay back overpayments of rental assistance resulting from failure to report a change in income or family composition.

If a family reports a decrease in income from the loss of welfare benefits due to fraud or noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615].

12.3.3 Processing the Family-Initiated Interim Reexamination

➤ **Standard for Reporting**

The LACDA requires that families report interim changes by completing an Interim Reexamination Request form within 10 days of when the change occurs. The family will be required to submit the Interim Reexamination Request form along with supporting documentation for the change.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the LACDA determines that an in-person interview is warranted, the family may be required to attend. Based on the type of change reported, the LACDA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 15 calendar days of the request. This time frame may be extended for good cause with LACDA approval. The LACDA will accept required documentation by mail, fax, email, through the tenant portal, or in person.

When income is calculated using anticipated annual average income, the LACDA may determine that the interim change is not necessary. The family will be sent a notice acknowledging the interim request and will be informed that no change is necessary. A downward change will not be made if it is determined that the change is temporary (less than 30-consecutive days).

Any changes that are reported as part of or concurrent with the timing of an annual recertification process will be made effective with the annual reexamination.

➤ **Effective Dates**

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30-days' notice to the family, if the change was reported within the required time frames.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. In this case, the LACDA will not provide 30-days' notice to the family. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with policies in Chapter 17 Owner and Family Debts to the LACDA.

If the family share of rent is to *decrease*:

The decrease will be effective on the first day of the month following the month the change was reported and all documents are received and verified.

If the family is responsible, in whole or in part, for any delay in obtaining documentation, the decrease will apply on the first of the month after all verification of income has been obtained.

Documents requested by the LACDA in support of a decrease must be submitted within 15 calendar days of the request. The LACDA may grant an extension for circumstances beyond the control of the family. However, if the family is not responsive to a request for documentation, the LACDA will consider the family nonresponsive if more than 15 calendar days have elapsed since the deadline for the information and the family has not had any communication with the LACDA. In such cases, the family will be advised that the LACDA is not processing the decrease and must start the process over again if they wish to receive the decrease.

12.4 CHANGES IN FAMILY COMPOSITION **[24 CFR §982.516(d) and 24 CFR §982.551(h)(2)]**

The composition of the assisted family residing in the unit must be approved by the LACDA. An interim re-examination will be conducted for any changes in family composition.

The LACDA may verify changes in family composition as detailed in Section 7.11.5.

12.4.1 Allowable Family Additions **[24 CFR §982.551(h)(2)]**

Allowable family additions are the following:

1. Addition due to birth, adoption or court awarded custody.
 - Must be reported to the LACDA, in writing, within 10 calendar days of the occurrence. Families should notify the owner and comply with any lease requirements to obtain owner approval.
2. Other allowable persons:
 - Addition of a foster child or foster adult that is in the legal guardianship or custody of the state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own home, under some kind of short-term or long-term foster care arrangement with the custodial agency. The custodial agency, such as the Department of Children and Family Services (DCFS) or the Department of Public and Social Services (DPSS), must have previously approved the addition.
 - Addition of marriage/or marital type relation (i.e., couples that certify that they intend to live in the same principal residence indefinitely and/ or register in California as domestic partners);

- Addition of a minor who is a child of the head of household, co-head, spouse or marital-type partner, who have been living elsewhere; and
- Addition of a LACDA-approved live-in aide;
- Addition of an adult child due to recent discharge from the military.
- Addition of a disabled adult who requires disability-related care.

The family must request approval from the owner and the LACDA before the person is added. Anyone who moves into the unit without written owner and LACDA approval is considered an unauthorized person.

As part of the approval process, the LACDA conducts a criminal background check, and may also conduct a credit review, on all new potential family members, 18 years of age and older. Criminal records will only be used to screen new household members. They will not be used for lease enforcement or eviction of residents already receiving tenant-based rental assistance.

If an approved change requires a larger size unit due to overcrowding, the change in voucher size will be made effective immediately (see Chapter 5). The LACDA will determine the assistance, based on funding availability.

12.4.2 Decreases in Family Size

When a family member leaves the household, the absence must be reported to the LACDA, in writing, within 10 calendar days of the occurrence, as detailed in Section 6.8.9 (Reporting Absences to the LACDA). The change in family composition may impact the voucher size, as explained in Chapter 5 (Subsidy Standards).

If a decrease in family size results in a decrease of the voucher size, the LACDA will downsize the family's voucher to the appropriate size at the family's next annual review following the reduction in household size.

The LACDA may make an exception as a reasonable accommodation for a person with a disability.

12.5 CONTINUATION OF ASSISTANCE FOR "MIXED" FAMILIES **[24 CFR §5.504(b)]**

Families that include at least one citizen or eligible immigrant, and any number of ineligible members, are considered "mixed" families.

"Mixed" families that were participants on or before June 19, 1995, shall continue full assistance if they meet the following criteria:

1. The head of household, co-head, or spouse is a U.S. citizen or has eligible immigrant status, **and**
2. All members of the family other than head, co-head, spouse, parents of head, parents of co-head, parents of spouse, children of head, co-head, or spouse are citizens or eligible immigrants. The family may change the head of household designation to another adult member of the family to qualify under this provision.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, or the family may choose prorated assistance.

CHAPTER 13: ALLOWABLE MOVES/PORTABILITY

13.1 INTRODUCTION

This chapter defines the procedures, restrictions and limitations for moving, for new applicants and current participants.

As stated in HUD regulations, eligible families participating in the Housing Choice Voucher Program have the right to receive tenant-based voucher assistance anywhere in the United States, in the jurisdiction of a public housing agency (PHA) administering a Housing Choice Voucher program. This program feature is called “portability.” This chapter includes the LACDA’s procedures for new applicants and current participants that “port out” of the LACDA’s jurisdiction.

Additionally, this chapter specifies the LACDA’s policies for receiving “incoming ports” from other public housing agencies.

The option of portability does not apply to families assisted under the Moderate Rehabilitation Program or the Continuum of Care (CoC) Program.

13.2 ALLOWABLE MOVES AND RESTRICTIONS

13.2.1 Restrictions on Moves

The LACDA may deny families permission to move if:

- There is insufficient funding for continued assistance;
- The family has violated a family obligation;
- The family is in the initial term of the lease (see 13.2.4 for exceptions);
- The family has already moved within the one-year period;
- The family owes money to this LACDA or another PHA. See Section 17.2 (Repayment Agreements for Families) for more information on allowable moves for families with repayment agreements; or
- There is insufficient funding to support a move with continued assistance.

In the event of insufficient funding, the LACDA may only deny a move to a higher cost area if the LACDA would not be unable to avoid termination of housing choice voucher assistance for current participants during the calendar year in order to remain within budgetary allocation (including any available HAP reserve). If the receiving PHA is willing to absorb the voucher, the LACDA may not deny the move to the higher cost area due to insufficient funding.

13.2.2 Allowable Moves for New Applicants **[24 CFR §982.353]**

A family who lives and/or works in the LACDA’s jurisdiction at the time they are admitted to the Housing Choice Voucher Program may choose, as their initial housing:

- To remain in their current unit (this is referred to as leasing-in-place);
- A unit anywhere within this LACDA's jurisdiction; or
- A unit outside of this LACDA's jurisdiction. For more information, see the Outgoing Portability section of this chapter.

If neither the head of household or spouse already had a "domicile" (legal residence) in the LACDA's jurisdiction at the time when the family first submitted an application for participation in the program, the family does not have any right to portability until they have leased up with rental assistance and have resided within the jurisdiction for at least 12 months [24 CFR §982.353(c)].

- Mainstream voucher applicants are not subject to the requirement above and are permitted to lease a unit outside LACDA's jurisdiction.
- Under limited conditions, the LACDA may waive this requirement. Examples of situations that may warrant an exception to this rule include life-threatening situations or as a reasonable accommodation. However, in all cases both the LACDA and the receiving jurisdiction must agree to allow the move. If the receiving public housing agency does not agree, the LACDA will not approve a transfer [24 CFR §982.353(c)(3)].

13.2.3 Allowable Moves for Current Participants

[24 CFR §982.354]

A family that initially receives assistance for a unit leased in LACDA's jurisdiction may request to move to another unit and receive continued assistance. Families in good standing may move with continued assistance if:

1. The assisted lease for the old unit has ended because the LACDA has terminated the HAP contract for owner breach [24 CFR §982.314(b)(1)(i)];
2. The lease was terminated by mutual agreement of the owner and the family [24 CFR §982.314(b)(1)(ii)]. The LACDA must receive a copy of this notice. The LACDA will not approve the mutual lease termination during the first year of the lease;
3. The owner has given the family a notice to vacate for reasons other than a lease violation [24 CFR §982.314(b)(2)]. The LACDA must receive a copy of this notice; or
4. The family has given proper written notice of lease termination after the initial lease term and in accordance with State law. This generally requires a 30-day notice. The LACDA must receive a copy of this notice.

A family is considered to be in good standing if they have not violated the terms of the lease, any program regulations and do not owe any money to this LACDA or another public housing agency.

Families that are eligible to move with continued assistance may choose to move to a unit that is:

- **Within the LACDA's jurisdiction.** This type of a move is called a "reserve vacate." This means that the family is moving from a unit, which could result in a temporary vacancy in the program until another unit is secured;

however, the slot remains reserved for the family until the time they lease another unit.

- **Outside LACDA's jurisdiction.** See the Outgoing Portability section of this chapter for more information.

13.2.4 Restrictions on Moves During the Initial Lease **[24 CFR §982.354(c) and §982.309(a)(1)]**

Generally, families will not be permitted to move during the initial lease, or more than once in any 12-month period.

The LACDA will consider exceptions to this policy for the following reasons:

1. To protect the health or safety of the family (HQS emergency items).
2. Statutory conditions under the Violence Against Women Reauthorization Act of 2013 (e.g., the family or an affiliated individual is or has been the victim of domestic violence, dating violence, sexual assault, or stalking as provided in 24 CFR part 5, subpart L, and the move is needed to protect the health and safety of the family or affiliated individual. The LACDA may not terminate assistance if the family, with or without prior notification to the LACDA, already moved out of the unit in violation of the lease, if such move occurred to protect the health and safety of an affiliated individual who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the dwelling unit.); or
3. To address an emergency situation over which a family has no control (e.g., Natural Disaster or Unsafe Environment).

Verification must include a copy of the incident report from the local Fire Department, the Health Department, or other appropriate agency that the dwelling unit is now uninhabitable. It must also include the cause of the disaster if known.

In addition, the LACDA will allow exceptions to this policy for the reasonable accommodation request of a family member who is a person with disabilities. However, the owner of the property must agree to release the tenant from the lease.

13.3 PROCEDURES FOR MOVES FOR CURRENT PARTICIPANTS **[24 CFR §982.354(d)]**

Eligible families who wish to move must send a written lease termination notice to the owner and copy to the LACDA no less than 30 calendar days before the vacate date. Once the LACDA has received a copy of the lease termination notice, the family will be scheduled for a briefing session where they will be issued the voucher along with the briefing packet (see Section 8.4 for information that is provided at the briefing session).

Eligible families also have the option to request a voucher before issuing a lease termination to their owner and the LACDA. However, a Request for Tenancy Approval or a Request to Transfer (portability) will not be processed without the proper written lease termination notice.

If the family's reexamination is current (within 12 months) the LACDA will not conduct a reexamination before issuing the voucher unless there are reported changes to income or the family composition that would require an interim reexamination.

13.4 OUTGOING PORTABILITY PROCEDURES **[24 CFR §982.355(b)(c)]**

Both new applicants and current participant families must first identify the new area where they will be moving. If there is more than one Public Housing Agency (PHA) serving that area, the LACDA will provide the family with the contact information for the PHAs that serve that area for the family to select the PHA. The family must inform the LACDA which PHA it has selected. In cases where the family prefers not to select a PHA, the LACDA will select the PHA on behalf of the family.

Once the LACDA has identified the receiving PHA, the LACDA will:

1. Contact the receiving PHA, prior to approving the family's request to port, to determine whether the voucher will be absorbed or billed by the receiving PHA [24 CFR §982.355(c)(3)];
2. Obtain in writing, via email or other confirmed delivery method, the receiving PHA's decision to absorb or bill the voucher.
 - If the receiving PHA decides absorb the voucher, the receiving PHA cannot reverse its decision at a later date without consent of the LACDA.
 - If the receiving PHA decides to bill the voucher, the LACDA may deny the move if it will result in insufficient funding for continued assistance [24 CFR §982.354(e)(1)].
3. Determine the family's eligibility to move with continued assistance (port). Families found eligible to port must be issued a voucher (if not yet issued) and must be advised of how to contact and request assistance from the receiving PHA [24 CFR §982.355(c)(6)]; and
4. Provide the following documents and information to the receiving PHA [24 CFR §982.355(c)(7)]:
 - A copy of the family's voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
 - The most recent HUD 50058 form and verifications.
 - The Family Portability form (HUD-52665).

Portability Administrative Fee: If administrative fees are prorated, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill. The receiving PHA may bill for the lower of 80 percent of the initial PHA's prorated

ongoing administrative fee or 100 percent of the receiving PHA's prorated ongoing administrative fee.

New applicant families will be subject to the income eligibility requirements of the jurisdiction in which they will be receiving assistance [24 CFR §982.353(c)(9)].

13.4.1 Briefing for Families Wishing to Exercise Portability
[24 CFR §982.301(b)(4)]

Since families wishing to move to another jurisdiction must understand that the policies and procedures of the receiving PHA prevail, the LACDA will provide counseling for those families who express an interest in portability. This will include a discussion of how portability works, the advantages of areas that do not have a high concentration of low-income families, the difference in payment standards, subsidy standards, and income limits, if applicable. See Chapter 8, Section 8.4 for a detailed list of the information provided at the briefing session.

13.4.2 Payment to the Receiving PHA
[24 CFR §982.355(d) and §982.355(e)]

If the receiving PHA chooses to administer and bill assistance on the LACDA's behalf, the LACDA will reimburse the receiving PHA for costs associated with administering the voucher, as specified in HUD regulations.

The receiving PHA must submit to the LACDA the initial billing no later than 60 days following the expiration date of the family voucher issued or within 10 days of an executed contract.

The LACDA will ensure that the receiving PHA receives all subsequent monthly payments no later than the fifth working day of each month.

13.5 INCOMING PORTABILITY PROCEDURES
[24 CFR §982.355]

Eligible participants in the Housing Choice Voucher Program in other public housing agencies may be assisted in the LACDA's jurisdiction.

For a family to port in to the LACDA's jurisdiction, the LACDA must receive a request to absorb or bill the voucher of the incoming portable family. The LACDA must provide the initial PHA, in writing, via email or other confirmed delivery method, a decision to absorb or bill the voucher. Rendered decisions to absorb a voucher cannot be reversed at a later date without consent of the initial PHA.

Once a decision has been rendered to the initial PHA, the LACDA must receive the following from the initial PHA:

- The Family Portability form (HUD-52665) with Part I completed.
- A copy of the family's most current voucher.
- The most recent HUD 50058 (Family Report) for the family, and all related verifications supporting the Family Report.

Should the family arrive with an expired voucher, the LACDA will contact the initial PHA to determine if it will extend the voucher. The initial PHA will decide to extend

the term of the initial PHA voucher before the LACDA can proceed with the portability process.

13.5.1 Policies on Absorption and Administration
[24 CFR §982.355(d) and §982.355(e)]

For incoming ports, the LACDA may, if funding permits, accept a family with a valid voucher from another jurisdiction and absorb the voucher. The LACDA may also exercise the option to administer the initial public housing agency's voucher and bill the initial PHA as authorized in the regulations.

Portability Administrative Fee: If administrative fees are prorated, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill. The receiving PHA may bill for the lower of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's prorated ongoing administrative fee.

If the LACDA chooses to administer:

- An initial billing will be submitted to the initial PHA within 10 days of an executed contract to ensure timely receipt of payment, but no later than 90 days following the expiration date of the family voucher issued by the initial PHA.
- The LACDA's policy on tolling in Section 8.7.2 of this Plan will apply [24 CFR §982.303].
- The LACDA will not extend the term of the voucher unless there is enough time to process the new contract and meet the billing deadline or unless the initial PHA extends the family's voucher. The LACDA will notify the initial PHA if such an extension is granted [24 CFR §982.355(c)(14)].

All subsequent monthly billing payments are to be received by the LACDA no later than the fifth working day of each month.

If the LACDA chooses to absorb, the LACDA may apply its policies on voucher tolling and extensions as stated in Sections 8.7.2 and 8.7.3 of this Plan.

13.5.2 Income and Total Tenant Payment Review
[24 CFR §982.355(c)]

The LACDA will conduct an initial review of all incoming port families. The LACDA will:

- Conduct criminal background and registered sex offender registration checks of family members (see Section 13.5.3 below).
- Verify identifying documents, family income and composition.
- As necessary, the LACDA will change the bedroom size of a family's voucher to comply with the subsidy standards. If this occurs, the family will be notified in writing of the change.
- If family income documents are missing or there has been a change in the family's circumstances, the LACDA may re-determine the family's TTP.

- For incoming port families who have not yet leased a unit under the Housing Choice Voucher Program (initial applicants), the LACDA must verify that the family meets the HUD's income limits.

If a re-determination is necessary, the LACDA will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-determination reveals that the family is not eligible for assistance in the LACDA's jurisdiction. In such cases, the family will be referred to the initial PHA for further assistance [24 CFR §982.355(c)(11)].

All families porting into the LACDA's jurisdiction will be issued a voucher. The term of the voucher issued may not expire before 30 calendar days from the expiration date noted on the voucher issued by the initial public housing agency [24 CFR §982.355(c)(13)]. The LACDA will determine whether to extend the voucher term, if necessary, based on Section 13.5.1 of this Plan.

If a family that has ported into the LACDA's jurisdiction is unable to locate a unit within the allotted time authorized on the voucher, the LACDA will notify the issuing PHA that the voucher did not result in a HAP contract [24 CFR §982.355(c)(16)].

Approval of any unit is subject to rent reasonableness and a passed inspection [24 CFR §982.401(a)(3)].

13.5.3 Criminal Background Checks for Incoming Portability **[24 CFR §982.355(c)(9) – (10)] and [PIH Notice 2004-12]**

The LACDA will conduct criminal background and sex offender registration checks for all incoming portability families. To establish eligibility under section 2.8.1 of this Plan, the LACDA will review criminal history within the established review period from the date a Request to Transfer is received from the originating PHA.

While criminal background and sex offender registration checks are conducted, the LACDA will not delay issuing the family a voucher but will take subsequent necessary action, including up to termination of a family's assistance (see Section 2.8 for details on screening).

The LACDA will take the following steps to minimize the number of terminations for families that are porting into its jurisdiction:

At voucher issuance,

- Families will receive a briefing that will contain information on the LACDA's portability process and general policies and procedures. See Chapter 8, Section 8.4 for a detailed list of information provided at the briefing session.
- Families will be informed of the LACDA's criminal background policies and that they will undergo a background check. The family will be offered an opportunity to return to their originating PHA.
- If it is determined before a contract is effective that a family member is unsuitable due to a criminal background check the family will be given the options of returning to the originating PHA or excluding the culpable family member.

- If it is determined after a contract is effective that a family member is unsuitable and the LACDA is billing the originating PHA, the family will have the option of returning to the originating PHA or exclude the culpable household member.
- If it is determined after the contract is effective that a family member is unsuitable and the LACDA has absorbed the contract, the family will only have the option of excluding the culpable household member and will not be allowed to return to the originating PHA.

The contract will be terminated if it has been absorbed and if the family chooses not to exclude the culpable household member or there are no other adult eligible household members.

13.5.4 Terminations

In cases where the LACDA is administering a contract on behalf of another PHA, the LACDA will notify the initial PHA in writing of any termination of assistance within 30 calendar days of the termination.

13.5.5 Informal Hearings/Reviews **[24 CFR §982.555]**

If an informal hearing is required and requested by the family, the LACDA will conduct the hearing only if the participant has been assisted within the LACDA's jurisdiction. Such hearings will be conducted using the regular hearing procedures included in this plan. Families who have not yet received assistance in the LACDA's jurisdiction are eligible for informal reviews, as detailed elsewhere in this administrative plan.

The initial PHA will be responsible for collecting amounts owed to that public housing agency by the family for claims paid and for monitoring repayment. If the initial PHA notifies the LACDA that the family is in arrears or the family has refused to sign a Repayment Agreement, the LACDA will terminate assistance to the family.

CHAPTER 14: CONTRACT TERMINATIONS

14.1 INTRODUCTION

The chapter identifies the key documents/contracts that set forth the responsibilities of each party involved in the rental assistance relationship and outlines the policies and procedures under which these contracts can be terminated.

14.2 DESCRIPTION OF DOCUMENTS

There are three parties involved in the rental relationship: the assisted family, the owner and the LACDA.

The rights and responsibilities of the assisted family are defined in the voucher or certificate and the Certified Statement of Family Obligations. A copy of the voucher or certificate is provided to the family at admission and each time a new voucher is issued. The family signs the Certified Statement of Family Obligations annually.

The relationship between the family and the owner is outlined in the lease agreement. Generally, the term of the lease is for one year. Although the LACDA is not a part of the lease, HUD regulations allow public housing agencies to act against the family for serious or repeated violations of the lease.

The terms of the relationship between the owner and the LACDA are outlined in the Housing Assistance Payments (HAP) contract. The term of the HAP contract is the same as the term of the lease.

14.3 TERMINATION OF THE LEASE BY THE FAMILY: MOVES [24 CFR §982.309(c)]

For continued tenant assistance, the family cannot terminate the lease until after a one-year period or the initial term of the lease, except for material breach of the lease by the owner, cases of foreclosure, or life threatening situations (as defined in Chapter 13). The lease determines the notice period for termination to the owner. Most leases require, at minimum, a 30-day notification. However, the LACDA recommends that families provide a minimum of a 60-day notice in order to allow enough time for a smooth transition of assistance from the old unit to the new unit. To initiate the lease termination, the family must send a written notice to the owner and the LACDA no less than 30 calendar days before the vacate date.

14.4 TERMINATION OF THE LEASE BY THE OWNER: DOMESTIC ABUSE

An owner or manager may bifurcate (separate) a lease in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, or terminating assistance, or otherwise penalizing the victim of such violence which is also a tenant or lawful occupant. Criminal acts are defined as “criminal activity directly related to domestic violence,

dating violence, sexual assault, or stalking against an affiliated individual or other individual”.

14.4.1 Terminating the Lease During the Initial Term of the Lease
[24 CFR §982.310(a)]

During the term of the lease, the owner may not terminate the tenancy except for good cause, which includes serious or repeated violations of the lease and/or violations of federal, state or local law that imposes obligations on the family in connection with the use of the unit.

Under such conditions, the owner must provide both the family and the LACDA with a copy of any notice to move or eviction action. An eviction action is defined as a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action. Any eviction notice served to a family must specify the grounds for the termination of the tenancy.

An owner may commence termination of a tenancy for good cause by serving a legal notice of termination on the family for the following reasons:

1. Serious or repeated violation of the terms and conditions of the lease [24 CFR §982.310(a)(1)];
2. Violation of federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises [24 CFR §982.310(a)(2)]; and
3. Other good cause, [24 CFR §982.310(a)(3)] including:
 - Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises [24 CFR §982.310(d)];
 - Any drug-related criminal activity on or near the premises; or
 - Tenant disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.

14.4.2 Terminating the Lease After the Initial Term of the Lease

After the initial term of the lease, the owner may terminate the lease for other good cause. Examples of other good cause include:

- Business or economic reason for regaining possession of the unit;
- Owner's desire to repossess the unit for personal or family use or for a purpose other than residential property;

When terminating the lease for business or economic reasons, the owner is required to provide a 90-day notice to both the family and the LACDA.

14.4.3 Requests for Criminal Records by Project-Based Section 8 Owners
[24 CFR §5.903(d)(3)]

Project-based Section 8 owners (excludes housing choice voucher owners), that have contracts with the LACDA, may request that the LACDA obtain criminal records, on their behalf, for the purpose of eviction or lease enforcement. The LACDA will, however, charge a fee in order to cover costs associated with the review of criminal records.

Project-based owners must submit the following items in order for the LACDA to process criminal records. Owner requests must include:

1. A copy of a signed consent form from each adult household members, age 18 years and older. Included in the consent form must be a legible name, the date of birth, a California Identification Number, and a Social Security number. This information will be used for the sole purpose of distinguishing persons with similar names or birth dates.
2. An owner's criteria or standards for evicting drug criminals in accordance with HUD regulations (§ 5.857 of 24 CFR Parts 5 et al.); or criteria for evicting other criminals (§ 5.858 of 24 CFR Parts 5 et al.); or criteria for lease enforcement.

Once the LACDA obtains the criminal records, a determination will be made as to whether a criminal act, as shown by a criminal record, can be used as a basis for eviction or lease enforcement. The LACDA will base its determination in accordance with HUD regulations and the owner criteria.

It is important to note that the LACDA will not disclose the participant's criminal conviction record, nor the content of that record to the owner unless the owner is proceeding with a judicial eviction process. In the case of a judicial eviction, the owner must provide the LACDA with a certification that the criminal records are necessary to proceed with the eviction.

14.5 MUTUAL TERMINATION OF THE LEASE

In cases where the owner and the family agree to terminate the lease, both parties have an obligation to notify the LACDA in writing at least 30 calendar days in advance of the vacate date in order that LACDA may avoid overpayment to the owner. A mutual termination of the lease will not be accepted if it is within a one-year period of the participant's last move or within the initial term of the lease.

14.6 TERMINATION OF THE HAP CONTRACT BY THE LACDA [24 CFR §982.453 – §982.454]

The LACDA will terminate the HAP contract as follows:

1. When the LACDA terminates program assistance for the family.
2. When the owner has breached the HAP contract.

Any of the following actions will be considered a breach of the HAP contract by the owner:

- The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit according to housing quality standards, including any standards the LACDA has adopted in this policy [24 CFR §982.453(a)(1)].

- The owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR §982.453(a)(2)].
 - The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program [24 CFR §982.453(a)(3)].
 - The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD [24 CFR §982.453(a)(4)].
 - The owner has engaged in drug-related criminal activity [24 CFR §982.453(a)(5)].
 - The owner has committed any violent criminal activity [24 CFR §982.453(a)(6)].
3. If the family is required to move from a unit which is overcrowded based on the LACDA's current subsidy standards [24 CFR §982.403(a)].
4. If funding is no longer available under the ACC [24 CFR §982.454].
- Before terminating HAP contracts on the basis of insufficient funding, the LACDA is required to ensure that the determination of insufficient funding is documented. The LACDA will consider funding insufficient if it is determined that the projected year-end subsidy falls short of the authorized budget amount.
 - The LACDA will determine the number of families that must be terminated, and will present the Board of Commissioners with a recommended method for terminating HAP contracts. Following Board of Commissioner and HUD notification, the LACDA will terminate HAP contracts.
 - Contracts of elderly and disabled families will not be subject to termination.
 - Terminated families will be placed on the waiting list and will receive a preference for assistance from the waiting list.

The LACDA may terminate the HAP contract if the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR §982.453(a)(2)]. The LACDA will consider the following list of factors in determining whether to terminate the HAP contract for a violation of another HAP contract:

- The nature of the breach
- The location of the other units under contract compared to the subject unit
- The impacts on participants in other the units

Additionally, an owner who breaches a HAP contract may be disapproved to participate in LACDA programs, as detailed in Section 9.11 (Owner Disapproval). The LACDA's rights and remedies against the owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contracts.

Request for reasonable accommodations relating to termination of HAP contracts will be reviewed on a case-by-case basis.

14.7 HAP PAYMENTS AND CONTRACT TERMINATIONS
[24 CFR §982.311]

When a HAP contract terminates, the LACDA will make payments in accordance with the HAP contract and depending on the reason for the contract termination.

In cases involving a tenant notice to move or a mutual termination, not involving an eviction action, the LACDA will pay the owner for the entire last month that the family was in the unit regardless of the actual day of the month that the family moved out. The LACDA may also pay HAP on behalf of the family for the new unit in the same month.

In cases involving evictions, the LACDA will continue to pay the HAP until the day the family moves out or is evicted [24 CFR §982.311(b)].

In cases involving termination of assistance due to insufficient funding, families will receive a minimum of 30 days notice of termination of assistance.

In cases involving termination of assistance for reasons other than insufficient funding, the LACDA will notify the owner and the family of the proposed termination date. If the family does not request a hearing or the hearing is decided in the LACDA's favor, the HAP payments will terminate in accordance with the notification. If a family continues to occupy the unit after assistance is terminated, the family is responsible for the total amount of rent due to the owner.

If HAP payments are released to the owner for periods of time beyond the dates set forth above, the owner will be required to return all monies to the LACDA within 30 calendar days or within the time specified in any approved repayment agreement. The LACDA also reserves the right to deduct any monies from other HAP payments being made to the owner by the LACDA. If the owner fails to repay the HAP, the account will be forwarded for further action.

CHAPTER 15: TERMINATION OF ASSISTANCE

15.1 INTRODUCTION **[24 CFR §982.552(a)]**

HUD requires the LACDA to terminate assistance for certain offenses. HUD permits the LACDA to terminate assistance for a family because of the family's action or failure to act. The LACDA will provide families with a written description of the family obligations under the program, the grounds under which the LACDA can terminate assistance, and the LACDA's informal hearing procedures. This chapter describes when the LACDA is required to terminate assistance, and the LACDA's policies for the termination of assistance.

15.2 FORMS OF TERMINATION **[24 CFR §982.552(a)(3)]**

Termination of assistance for a participant may include any or all of the following:

1. Refusal to enter into a HAP contract or approve a lease
2. Termination of HAP under an outstanding HAP contract
3. Refusal to process or provide assistance under portability procedures

The LACDA will not terminate assistance of a participant based solely upon incidences of domestic violence, dating violence, sexual assault, or stalking. If termination is based upon behavior resulting from disability, the LACDA will delay the termination in order to determine if there is a reasonable accommodation, pursuant to law, that would cure the grounds for the termination.

15.3 FAMILY NO LONGER REQUIRES ASSISTANCE (ZERO ASSISTANCE) **[24 CFR §982.455]**

The LACDA is required to automatically terminate the HAP contract 180 calendar days after the last housing assistance payment is made to the owner. A family receiving no assistance may remain in the unit for up to 180 calendar days after the last HAP payment. If the family is still in the unit after 180 calendar days, assistance is terminated. If within the 180-day period, an owner rent increase or a decrease in the TTP causes the family to be eligible for a housing assistance payment, the LACDA will resume assistance payments for the family.

In order for a family to move to another unit during the 180 calendar days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

15.4 MANDATORY TERMINATION OF ASSISTANCE

HUD requires the LACDA to terminate assistance under the following circumstances:

1. Failure to Provide Consent [24 CFR §982.552(b)(3)].

If any member of the family fails to sign and submit to HUD or LACDA required consent forms for obtaining information

2. Failure to Document Citizenship [24 CFR §982.552(b)(4) and 24 CFR §5.514(c)]

The LACDA must terminate assistance if

- A family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status;
- A family submits evidence of citizenship and eligible immigration status in a timely manner, but the United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family;
- No member of the family is an U.S. citizen or eligible immigrant.

3. Failure to Disclose and Document Social Security Numbers [24 CFR §5.218(c)].

The LACDA is required to terminate assistance for participant families in which no members are U.S. citizens or eligible immigrants. If a family member does not establish citizenship or eligible immigration status as required, the LACDA will prorate the assistance, or if there are no eligible family members remaining, the LACDA will propose program termination and provide the opportunity for an informal hearing, as explained in Chapter 16.

Families are required to submit evidence and sign declarations of their citizenship or eligible immigration status. If the LACDA obtains substantive documentation (such as a permanent resident card or information from another agency) that contradicts a family member's declaration of citizenship, an investigation will be conducted and the individual given an opportunity to present relevant information.

- If the family (or any member) claimed eligible immigrant status and the USCIS primary and secondary verifications failed to document the status, the family may make an appeal to the USCIS and request a hearing with the LACDA either after the USCIS appeal or in lieu of the USCIS appeal.
- If the family member is unable to verify their citizenship, the LACDA may give the individual an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The LACDA will then verify eligible status, and terminate, or prorate as applicable.
- Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

After the LACDA has made a determination of ineligibility, the family will be notified of the determination and the reasons, and informed of the option for prorated assistance (if applicable) or the proposed termination.

The LACDA will terminate assistance for misrepresentations or submission of false information.

4. Methamphetamine Manufacture or Production [24 CFR §982.553(b)(1)(ii)]

The LACDA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

5. Death of the Sole Family Member [24 CFR §982.311(d) and Notice PIH 2010-9]

The LACDA must immediately terminate program assistance for deceased single member households.

6. Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR §982.552(b)(5) and FR 4/10/2006].

If any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in Section 2.5

15.5 MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

[24 CFR §982.553(b) and §982.551(l)]

HUD requires the LACDA to establish policies that permit the LACDA to terminate assistance if the LACDA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity.
- Any household member has violated the family's obligation not to engage in violent criminal activity.

15.5.1 Use of Illegal Drugs and Alcohol Abuse

In accordance with HUD requirements, the LACDA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The LACDA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

15.5.2 Drug-Related Criminal Activity

Drug-related criminal activity includes the manufacture, dispensation, distribution, sale, use or possession of illegal drugs. An "illegal drug" is defined as any controlled substance, in any amount, as defined by the United States Code, Title

21, section 802, including but not limited to narcotics, amphetamines, hallucinogens, cocaine, marijuana, medical marijuana, designer drugs, or other intoxicants. This definition also specifically includes over the counter medications used in the manufacture of illegal drugs or for the purposes of becoming intoxicated, and pharmaceutical medications which are used either without being prescribed by a licensed physician or in excess of the amount prescribed by a physician for the purposes of becoming intoxicated.

Drug-related criminal activity does not include the prior use or possession of a controlled substance if the family member had an addiction to the substance and has recovered, or is recovering from the addiction and does not currently use or possess the substance and has demonstrated successful completion of a rehabilitation program [24 CFR §982.553(b)].

In accordance with HUD requirements, the LACDA's policy regarding drug-related criminal activity is as follows:

- The LACDA may propose termination against the family for drug-related criminal activity that occurs on or off the premises of the assisted unit, or drug-related criminal activity committed by a guest or invitee of any family member on the premises of the assisted unit. An arrest or conviction is not required to deny or terminate assistance.
- The LACDA may terminate a participant's assistance if they have been arrested, convicted or whose tenancy is being terminated due to drug-related criminal activity or whose activities, including the activities of their guests or invitees, have created a disturbance in the building or neighborhood.
- Will terminate assistance if the family violates the lease for drug-related criminal activity.

In appropriate cases, the LACDA may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside and/or visit in the unit.

15.5.3 Violent Criminal Activity

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and the activity is being engaged in by any family member, their guests or invitees. Violent criminal activity also includes activity which occurs within the family, such as during domestic disputes.

In accordance with HUD requirements, the LACDA's policy regarding violent criminal activity is as follows:

- The LACDA may propose termination against the family for violent criminal activity that occurs on or off the premises of the assisted unit. An arrest or conviction is not required to deny or terminate assistance.
- The LACDA may terminate a participant's assistance if they have been arrested, convicted or whose tenancy is being terminated due to violent criminal activity or whose activities, including those of their guests and invitees, have created a disturbance in the building or neighborhood.

- The LACDA will terminate assistance if the family violates the lease for violent criminal activity.

Incidents or threats of abuse, or criminal activity related to abuse engaged in by a member or guest of the participant's household, will not be grounds for termination of the victim or threatened victim of the abuse.

In appropriate cases, the LACDA may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside in the unit.

15.5.4 Other Criminal Activity **[24CFR§982.553(a)(ii)(A)(3)]**

Other criminal activity includes any criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises.

15.6 OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE

[24 CFR §982.552(c), Pub.L. 109-162]

HUD permits the LACDA to terminate assistance under other circumstances. The LACDA may at any time terminate program assistance to a participant, for any of the following reasons:

1. The family fails to comply with any family obligation under the program as listed in Section 15.7 of this plan [24 CFR §982.551].
2. Any member of the family has been evicted from federally-assisted housing in the last five years and the family failed to disclose the information at admission to the program [24 CFR §982.552(c)(1)(ii)].
3. The family fails to provide critical eligibility information that may have deemed the family ineligible for assistance during the admissions process.
4. Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR §982.552(c)(1)(iv)].
5. The family currently owes rent or other amounts to the LACDA or to another housing agency in connection with Section 8 or public housing assistance under the 1937 Act [24 CFR §982.552(c)(1)(v)].
6. The family has not reimbursed the LACDA or any housing agency for amounts paid under a HAP contract to an owner for rent, damages to the unit, or other amounts owed by the family under the lease [24 CFR §982.552(c)(1)(vi)].
7. The family has breached the terms of a repayment agreement entered into with the LACDA. [24 CFR §982.552(c)(1)(vii)].
8. The family has engaged in or threatened abusive or violent behavior toward LACDA personnel [24 CFR §982.552(c)(1)(ix)].

- "Abusive or violent behavior" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination.
- "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- Actual physical abuse or violence will always be cause for termination.

The LACDA will not terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program [24 CFR §982.552(c)(1)(viii)].

15.6.1 Registered Sex Offenders

If it is brought to the attention of the LACDA that a current program participant is subject to a lifetime sex offender registration requirement in any state, the LACDA will review the matter on a case-by-case basis. If the participant was erroneously admitted (the household member was subject to a lifetime registration requirement at admission and was admitted after June 25, 2001), the LACDA must immediately pursue termination of assistance for the household member.

If the LACDA erroneously admitted a lifetime sex offender, it must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the LACDA **must** terminate assistance for the household.

15.7 TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING VICTIMS AND PERPETRATORS

[24 CFR §5.2005(d)(2)]

VAWA gives the LACDA the right to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

VAWA does not limit the LACDA's right to terminate the assistance of any participant if the LACDA "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance."

In determining whether a participant who is a victim of domestic violence, dating violence, sexual assault or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the PHA will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault or stalking
- Whether the threat is a physical danger beyond a speculative threat
- Whether the threat is likely to happen within a short period of time

- Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the tenant wishes to contest the LACDA's determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the informal hearing process.

15.7.1 Documentation of Abuse

[24 CFR § 5.2007]

When a participating family is facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault or stalking, claims protections under VAWA, the LACDA will request in writing that the individual submit documentation affirming that claim.

The LACDA will accept either of the following forms of documentation:

- A completed and signed HUD-approved certification form (Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim.
- A record of a Federal, State, tribal, territorial or local law enforcement agency (such as a police report), court, or administrative agency documenting the domestic violence, dating violence, sexual assault or stalking.
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider, an attorney, a medical or mental health professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The request for documentation of domestic violence, dating violence, sexual assault, or stalking will be in writing and will specify a deadline of 14 business days following receipt of the request. It will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The LACDA reserves the right to waive the documentation requirement if it determines that a statement of other corroborating evidence from the individual will suffice.

The LACDA may, at its discretion, extend the deadline. Any extension granted will be in writing.

15.7.2 Conflicting Documentation

[24 CFR §5.2007(b)(2)]

In the case where the LACDA receives conflicting certification documents from two or more members of the household each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the LACDA will determine which is the true victim by requiring third-party documentation within 30 calendar days in order to resolve the conflict.

If the participants fail or refuse to provide third-party documentation where there is conflicting evidence, the HA does not have to provide the tenant(s) with the protections contained in HUD form-5380, Notice of Occupancy Rights under the Violence Against Women Act.

15.7.3 Terminating the Assistance of a Domestic Violence Perpetrator

[24 CFR § 5.2005(b)(2)]

VAWA gives the LACDA explicit authority to terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.

The LACDA will terminate assistance to a family member if the LACDA determines that the family member has committed criminal acts of physical violence against other family members or others. This action may not affect the assistance of the remaining, nonculpable family members.

In making the decision to terminate assistance, the LACDA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the LACDA by the victim in accordance with this section. The LACDA will also consider the factors in Section 15.8 Consideration of Circumstances. Upon such consideration, the LACDA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If the LACDA moves forward with terminating the assistance of the culpable family member, the LACDA will do so in accordance with applicable law, HUD regulations, and policies established in Chapter 16. Informal Reviews/Hearings.

15.7.4 Notification Requirement

[24 CFR §5.2005(a)(1)(i)(ii) and §5.2005(a)(2)(iii)]

When moving forward with terminating assistance, the LACDA will include information about VAWA in notices of termination of assistance. The VAWA information provided will consist of the following documents:

- Form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation.
- Form HUD-5380, Notice of Occupancy Rights Under the Violence Against Women Act

15.7.5 VAWA Confidentiality

[24 CFR §5.2007(a)(1)(v)]

All VAWA information provided to the LACDA, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault or stalking, shall be retained in confidence, and will not be entered into any shared database or provided to any related entity, except to the extent that disclosure is:

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

15.8 FAMILY OBLIGATIONS **[24 CFR §982.551]**

Failure to abide by any of the family obligations is grounds for termination.

1. The family must supply any information that the LACDA or HUD determines is necessary in the administration of the program [24 CFR §982.551(b)]. Information includes any requested certification, release or other documentation. Requirements include:
 - Submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5);
 - Disclosure and verification of social security numbers (as provided by 24 CFR part 5);
 - Providing any information requested by the LACDA or HUD for use in a regularly scheduled or interim determination of family income and composition, including income, assets, and accurate family composition.
2. The family must report all changes in earned and unearned income, assets, expenses, full-time student status, and family circumstances within 10 calendar days of the date the change takes effect. The owner of the unit and the LACDA must approve changes in composition of the assisted family [24 CFR §982.551(b) and §982.551(h)(2)]. The family must:
 - Report the birth, adoption or court-awarded custody of a child;
 - Request LACDA approval to add any other family member;
 - Notify the LACDA when a family member no longer lives in the unit.

If the LACDA gives approval, a live-in aide, foster child, or foster adult may live in the unit. Failure to report changes, making false reports and/or allowing unauthorized people in the unit is cause for termination from the program.
3. All information supplied by the family must be true and complete [24 CFR §982.551(b)].
4. Maintain the rental unit [24 CFR §982.551(c)]. The family is responsible for any violation of Housing Quality Standards resulting from:
 - Failure to pay for tenant-paid utilities;

- Failure to furnish required stove and or refrigerator if to be provided by family; or
 - Damage to the unit or grounds by the family or its guests beyond normal wear and tear.
5. The family must allow the LACDA to inspect the unit at reasonable times and after reasonable notice [24 CFR §982.551(d)].
 6. The family may not commit any serious or repeated violation of the lease [24 CFR §982.551(e)].
 7. The family must notify the owner and, at the same time, notify the LACDA before the family moves out of the unit or terminates the lease on notice to the owner. The family must promptly give the LACDA a copy of any owner eviction notice [24 CFR §982.551(f) – (g)].
 8. The family must use the assisted unit for residence by the family. The unit must be the family's only residence. The family must not sublease or let the unit [24 CFR §982.551(h)(1), (6)].
 9. The family must not assign the lease or transfer the unit. In cases where there is a change in the head of household, the lease may be transferred to the new Head but only with the consent of the owner of the property and the LACDA [24 CFR §982.551(h)(7)].
 10. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family [24 CFR §982.551(h)(5)].
 11. The family must supply any information or certification requested by the LACDA to verify that the family is living in the unit, or relating to family absence from the unit, including any LACDA-requested information or certification on the purposes of family absences. The family must cooperate with the LACDA for this purpose. The family must promptly notify the LACDA of absence from the unit [24 CFR §982.551(i)].
 12. The family must not own or have any interest in the unit [24 CFR §982.551(j)].
 13. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs [24 CFR §982.551(k)].
 14. The members of the family, their guests or invitees, may not engage in drug-related criminal activity or violent criminal activity, or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
 15. The members of the family, their guests or invitees, must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
 16. 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 a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program [24 CFR §982.551(n)].

17. The family must pay only the amount authorized by the LACDA on the approved lease. Any amount paid by the family other than the authorized amount is considered an illegal side payment and is cause for termination of the housing assistance subsidy. The LACDA may authorize additional payments for other amenities [24 CFR §982.451(b)(4)(ii)].
18. The family must not receive housing choice voucher program housing assistance while residing in a unit owned by a spouse, parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the LACDA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities (See Section 9.4 for more information).
19. The family must not have a member that has committed a crime that subjects them to a lifetime sex offender registration requirement imposed by any State sex offender registration program reside in the unit. This is to ensure that no household member or guest is creating or maintaining a threat to the health and safety of other residents or the public.

15.8.1 Missed Appointments and Deadlines

[24 CFR §982.551]

It is a family obligation to supply information, documentation, and certifications as needed for the LACDA to complete required processes. The LACDA schedules appointments and sets deadlines in order to obtain the required information. Failure to supply requested information can result in termination of assistance. Examples of failing to supply requested information can include: failing to sign necessary documents, failing to return documents or returning incomplete or altered documents, failing to complete all information requested on documents, etc.

The obligations also require that the family keep all appointments and allow the LACDA to inspect the assisted unit. All scheduled inspections are considered “appointments.”

The family will receive information about the requirement to keep appointments, and the number of times that appointments are rescheduled as specified below. Appointments are scheduled and time requirements imposed for the following events and circumstances:

1. Eligibility for Admissions;
2. Verification Procedures;
3. Voucher Issuance and Briefings;
4. HQS Inspections;
5. Re-examinations; and

6. Appeals (Informal Hearing/Reviews).

Examples of good cause for missing appointments or failing to provide information by deadlines are medical and/or family emergencies. In such cases, the family may be requested to provide verification of such circumstances.

An applicant or participant who fails to keep appointments, or to supply information required by a deadline without notifying the LACDA may be sent a notice of termination of assistance for failure to comply with program regulations.

The family may be granted up to two opportunities before they receive a notice of denial or termination for breach of a family obligation. After issuance of the denial or termination notice, if the family offers to correct the breach within the time allowed to request a review or hearing, the notice may be rescinded after the family corrects the breach, if the family does not have a history of non-compliance. For families with a history of non-compliance, the LACDA may elect to hold the review or hearing.

The LACDA may grant exceptions to this policy as a reasonable accommodation, in accordance with section 1.9.2 and 7.11.10.

15.8.2 Enforcing Family Obligations

Explanations and Terms

- **HQS Breach**: The inspector will determine if an HQS breach as identified in 24 CFR §982.404(b) is the responsibility of the family. Families may be given extensions to correct HQS breaches as explained in Chapter 10.
- **Lease Violations**: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance [24 CFR §982.310]:
 - If the owner terminates tenancy through court action for serious or repeated violation of the lease.
 - If the owner notifies the family of intention to terminate tenancy for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the LACDA determines that the cause is a serious or repeated violation of the lease based on available evidence.
 - If there are police reports, neighborhood complaints or other third-party information, and the LACDA has verified the information. Lack of receipts or other proof of rent payments by the family may also be considered verification of lease violations.
- **Family Member Moves Out**: Families are required to notify the LACDA within 10 calendar days if any family member leaves the assisted household [24 CFR §982.551(h)(3)]. When the family notifies the LACDA, they must furnish the following information:
 - The date the family member moved out.
 - The new address, if known, of the family member.

- A statement as to whether the family member is temporarily or permanently absent.
- Related income, asset or deduction changes resulting from the member moving.
- **Limitation on Profit-making Activity in Unit [24 CFR §982.551(h)(5)]**: If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If the LACDA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation of family obligations.
- **Interest in Unit [24 CFR §982.551(j)]**: The owner may not reside in the assisted unit, under any circumstances, including as a live-in aide, regardless of whether the owner is a member of the assisted family, unless assistance is being provided for a mobile home and the family owns the mobile home and rents the pad under the Certificate or Housing Choice Voucher Program.
- **Fraud [24 CFR §982.551(k)]**: In each case, the LACDA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

15.9 CONSIDERATION OF CIRCUMSTANCES

[24 CFR §982.552(c)(2)]

HUD authorizes the LACDA to consider all relevant circumstances when deciding whether to terminate assistance based on a family's past history except in the situations for which termination of assistance is mandatory.

When considering the circumstances of the case, the LACDA will consider the following factors prior to making its decision:

- The seriousness of the case, especially with respect to how it would affect the other residents.
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault or stalking.
- The length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act, and
- Requests for reasonable accommodation

On a case by case basis the LACDA may counsel the family in lieu of termination.

The LACDA may impose, as a condition of continued assistance for other family members, a requirement that family members that participated in or were culpable for the action or failure will not reside in the unit. The LACDA may permit the other members of a family to continue in the program.

15.10 REQUIRED EVIDENCE
[24 CFR §982.553(c)]

The LACDA gathers publicly available arrest data related to its participants, and will take appropriate action related to program violations.

In determining whether to terminate assistance based on criminal activity, the LACDA may terminate assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

The LACDA may consider arrests, convictions, no contest pleas, fines, city ordinance violations or other credible preponderance of evidence in determining if a violation has occurred.

The LACDA does not use records for juvenile offenses to terminate assistance to the family, except as may be authorized by State or federal law. The LACDA may consider as evidence criminal records of a minor tried and convicted as an adult in criminal court for such offenses as murder, sex offenses, robbery and arson.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

15.11 CONFIDENTIALITY OF CRIMINAL RECORDS
[24 CFR §5.903(g)]

Criminal records received by the LACDA shall be maintained confidential, not misused, nor improperly disseminated and kept locked during non-business hours. Also, all criminal records will be destroyed no later than 30 calendar days after a final determination is made.

15.12 DISCLOSURE OF CRIMINAL RECORDS TO FAMILY
[24 CFR §5.903(f) and §982.553(d)]

The applicant or household member requesting to be added to the lease will be provided with a copy of the criminal record upon request and an opportunity to dispute the record. Applicants will be provided with the opportunity to dispute the record at an informal review. Participants may contest such records at an informal hearing.

15.13 NOTICE OF TERMINATION OF ASSISTANCE

In any instance where the LACDA decides to terminate assistance to the family, the LACDA must give the family a written notice that includes:

1. The reason(s) for the proposed termination;
2. The effective date of the proposed termination;
3. A copy of the most recent voucher or certificate issued to the HOH;

4. A copy of the most recent Certified Statement of Family Obligations signed by the HOH;
5. Information regarding the family's right to request an Informal Hearing to be held before termination of assistance;
6. The date by which a request for an informal hearing must be received by the LACDA; and
7. If applicable, notice of any criminal records, including arrests and convictions, being used as part of the decision to terminate assistance.

A Notice of Confirmation, which is a final notice of determination and date of termination, will then be sent to the participant if no hearing is requested within the allowable time or if the Informal Hearing confirms the termination.

The LACDA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance. The notice to the owner will not include any details regarding the reason for termination of assistance.

15.14 OPTION NOT TO TERMINATE FOR MISREPRESENTATION OF INCOME

If the family has misrepresented any facts that caused the LACDA to overpay assistance, the LACDA may choose not to terminate and may offer to continue assistance provided that the family agrees to pay the LACDA the amount owed and either pays the LACDA in full or executes a Repayment Agreement and makes payments in accordance with the agreement.

15.15 MISREPRESENTATION IN COLLUSION WITH OWNER

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the LACDA will deny or terminate assistance.

15.16 REPORTING TERMINATED FAMILIES TO ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM

If a family is terminated due to an adverse action or leaves the program owing money to the LACDA, the family will be reported to EIV. Additionally, if any debt is owed, the amount of the debt will be recorded in EIV.

CHAPTER 16: INFORMAL REVIEWS/HEARINGS

16.1 INTRODUCTION

This chapter covers the LACDA's policy and procedures for informal reviews and informal hearings. This chapter defines the LACDA's responsibilities to applicants and participants.

16.2 REASONABLE ACCOMMODATION

All requests for accommodation will be verified with a reliable, knowledgeable professional so that the LACDA can properly accommodate the need presented by the disability.

Requests for accommodation from persons with disabilities will be granted upon verification that they are reasonable, and they meet the need presented by the disability.

Reasonable accommodation will be made for persons with disabilities that require an advocate or accessible offices. A designee will be allowed to provide information as needed, but only with the permission of the person with the disability.

16.3 INFORMAL REVIEW PROCEDURES FOR APPLICANTS [24 CFR §982.554(a)]

Under certain circumstances, the LACDA offers informal reviews for applicants. Applicants are defined as families who are on the Section 8 waiting list and are awaiting the issuance of a voucher or families who have been issued a voucher but have not yet been assisted under a Housing Assistance Payment (HAP) Contract.

When the LACDA denies assistance to an applicant, the family is notified in writing. The notice contains:

- The reason(s) for the decision;
- The procedure for requesting an informal review if the applicant does not agree with the decision; and
- The time limit for requesting a review.

The LACDA must provide applicants with the opportunity for an Informal Review of Decisions denying issuance of a voucher or participation in the program.

Applicants who are denied assistance based on ineligible immigration status are entitled to an informal hearing (rather than an informal review).

16.3.1 When an Informal Review is Not Required [24 CFR §982.554(c)]

Informal reviews are not required for established policies, procedures, and LACDA determinations such as:

1. Discretionary administrative determinations by the LACDA;
2. General policy issues or class grievances;
3. A determination of the family unit size under the LACDA subsidy standards;
4. Refusal to extend or suspend a certificate or voucher;
5. Disapproval of lease;
6. Determination that the unit is not in compliance with HQS; or
7. Determination that the unit is not in accordance with HQS due to family size or composition.

16.3.2 Procedure for Review
[24 CFR §982.554(b)]

Applicants will be required to submit written objections to the LACDA by the close of business day, no later than 15 calendar days from the date of the LACDA's notification of "Notice of Cancellation of Application." The informal review will be conducted within 30 calendar days from the date the request is received.

The informal review will not be conducted by the person who made or approved the decision under review, nor a subordinate of such person. The review may be conducted by:

- A staff person who is not the person who made the decision or his/her subordinate, or
- An individual from outside the LACDA.

A Notice of the Review decision will be provided to the applicant within 30 calendar days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the applicant's file.

Requests for accommodations from persons with disabilities will be granted upon verification that the request is reasonable, and they meet the need presented by the disability on a case-by-case basis.

16.4 INFORMAL HEARING FOR PARTICIPANTS
[24 CFR §982.555]

16.4.1 When an Informal Hearing May Be Requested
[24 CFR §982.555(a)(1)]

A participant family must be given an opportunity for an informal hearing to consider whether certain LACDA decisions are in accordance with the law, HUD regulations and LACDA policies.

1. A determination of the family's annual or adjusted income, and the use of the income to compute the housing assistance payment.

2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the LACDA utility allowance schedule.
3. A determination of the family unit size under the LACDA's subsidy standards.
4. A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the LACDA's subsidy standards, or a LACDA determination to deny the family request for a waiver from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act.
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under LACDA policy and HUD rules.
7. A determination to terminate assistance for a participant family for breach of the HQS caused by the family.

In the cases described in paragraphs (4), (5), (6) and (7) of this section, the PHA must give the opportunity for an informal hearing before the PHA terminates the housing assistance payment for the family under an outstanding HAP contract.

16.4.2 Notification
[24 CFR §982.555(c)]

- When the matter in question is:
1. The determination of the family's annual or adjusted income or computation of the housing assistance payment;
 2. Appropriate utility allowance (if any) for tenant-paid utilities; or
 3. Family unit size,

The LACDA must notify the family that they may ask for an explanation of the basis of the LACDA's determination. The family must also be notified that if the family does not agree with the explanation, the family may request in writing an informal hearing on the decision.

- When the matter in question is:
1. Certificate family residing in too large a unit, or the LACDA's refusal to issue a waiver to subsidy standards;
 2. Termination due to the family's action or failure to act; or
 3. Absence from the assisted unit for longer than the maximum period permitted,

The LACDA must give the family prompt written notice that the family may request in writing an informal hearing on the decision.

- When the LACDA has made a decision to:
1. Terminate HAP on behalf of a participant under an active contract;

2. Refuse to re-issue a voucher; or
3. Refuse to execute a new contract with a program participant,

The family must be given written notice of the opportunity for an informal hearing before the termination of Housing Assistance Payments.

➤ The notice must:

1. Contain a brief statement of reasons for the decision;
2. Inform the participant regarding his/her right to an informal hearing;
3. Advise the participant that a request for an informal hearing must be in writing;
4. Advise the participant that the LACDA must receive the request within 15 calendar days of the date of the letter; and
5. Explain the basic elements of the informal hearing, i.e., right of the participant to present evidence, question witnesses, to have representation, the LACDA-designated impartial hearing officer written decision.

16.4.3 Prior to Hearing **[24 CFR §982.555(e)(2)]**

Before the informal hearing, the family may request an appointment to examine any documents in the family's portion of the file that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the LACDA does not make the document in the family's file available for examination on request of the family, the LACDA may not use the document at the hearing.

The LACDA may also provide information to participants on relevant documents in the possession of other public agencies in order for the participant to contact the agency and obtain a copy of the document. The LACDA may then reference the contents of the document at the hearing through witness testimony.

The LACDA requires that the family submit any documents that are directly relevant to the hearing either before or at the time of the hearing. The LACDA must be allowed to copy any such documents at the LACDA's expense. If the family does not make the document available for examination on request of the LACDA, the family may not rely on the document at the hearing.

During the course of the hearing, if the family offers to submit evidence, the Hearing Officer is not required to, but may exercise the discretion to allow the family to submit a document within a specified period.

16.4.4 Hearing Process **[24 CFR §982.555(d)]**

When a participant family has timely requested a hearing, the LACDA will proceed within 15 calendar days of receipt of the request to notify the participant of the date, time and location of the hearing.

- There may be one postponement of the hearing date by the participant. A request to reschedule must be requested before the scheduled date and may not extend beyond the proposed termination date.
- Any additional postponements may only be for good cause such as, but not limited to hospitalization, illness or injury. Second postponement requests must be supported by verification of the cause.

16.4.5 Hearing Officer **[24 CFR §982.555(e)(4)]**

The Hearing Officer may be either a LACDA employee or an outside third party contracted by the LACDA. The Hearing Officer must not have made or approved the decision under review nor be a subordinate of the person who made the decision. The Hearing Officer controls the informal hearing and may:

- Control the scope and method of direct and cross examination of witnesses;
- Control the admission and determine relevancy of offered evidence;
- Question witnesses and set time limitations for any portion of the informal hearing process.
- May consider evidence without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The Hearing Officer will audio record the hearing and follow the format set forth below.

16.4.6 Opening

The Hearing Officer will convene the informal hearing with both parties and their representatives present. (If the participant is represented, the participant will have provided the LACDA written authorization for the representative to do so.)

The Hearing Officer will explain the informal hearing procedures, state the purpose of the hearing, and inform the participant that the hearing will be recorded. The Hearing Officer may request clarification or ask questions of either side or witnesses at any time during the Informal Hearing. Each person present will introduce himself or herself.

16.4.7 Presentations

Each side will have an opportunity to present its case and be allowed to present witnesses and submit relevant evidence as determined by the Informal Hearing Officer. (Witnesses may be cross-examined at this time.) The LACDA begins the hearing by presenting the Notice of Hearing. The LACDA will then present a copy of the original notification to the participant regarding the matter, followed by the evidence, including testimony of witnesses, which supports the allegations in the notification.

16.4.8 Rebuttals

Each side will have an opportunity to present rebuttal to the evidence presented.

16.4.9 Final Summary

Each side is then allowed to summarize its arguments.

16.4.10 Conclusion of Hearing

The Hearing Officer may continue a hearing if additional information from either party is requested. Otherwise, the Hearing Officer will advise each side that the testimony and evidence will be reviewed, a final decision made and a determination letter issued stating the decision and the reasons for the decision within 10 calendar days. The decision of the Hearing Officer is final.

The Hearing Officer will use the following principles for the Informal Hearings and decisions:

1. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
2. Determinations on the matter being reviewed shall be based on the evidence presented at the hearing.
3. If the issues and differences can properly be resolved at the hearing, the Hearing Officer should attempt to resolve them through mutual consent as long as the resolution is not contrary to applicable law, HUD regulations and/or LACDA's policies.
4. The purpose of the hearing is to determine if the original decision made in the case is in accordance with the law, HUD regulations and LACDA policies.
5. The Hearing Officer may not make a finding contrary to HUD regulations or requirements, contrary to federal, state or local law or exceeding the authority of the Hearing Officer.

16.5 WHEN AN INFORMAL HEARING IS NOT REQUIRED **[24 CFR §982.555(b)]**

The LACDA is not required to provide a participant family an opportunity for an informal hearing for the following:

1. To review discretionary administrative determinations by the LACDA
2. General policy issues or class grievances;
3. A LACDA determination that an assisted unit is not in compliance with HQS. (However, the LACDA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in §982.551(c) and Section 10.8 of this plan);
4. To review decision by the LACDA to exercise or not exercise any remedy against the owner under an outstanding Contract, including the termination of HAP to the owner;
5. To review the LACDA's decision not to approve a family's request for an extension or suspension of the term of the voucher;

6. Determination that the unit is not accordance with HQS due to family size;
7. Establishment of the LACDA's schedule of utility allowances for families in the program; or
8. A LACDA determination not to approve a unit or lease.

CHAPTER 17: OWNER OR FAMILY DEBTS TO THE LACDA

17.1 INTRODUCTION **[24 CFR §982.163 and §792]**

This chapter describes the LACDA's policies and guidelines for the recovery of debts and the use of repayment agreements. Before a debt is assessed against a family or owner, the file must contain documentation to support the LACDA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner or the family, as appropriate.

When families or owners owe money to the LACDA, every effort will be made to collect the debt. A variety of collection tools to recover debts may be used including, but not limited to:

- Requests for lump sum payments
- Repayment agreements
- Abatements
- Deductions
- Collection agencies
- Credit bureaus
- Civil suits

17.2 REPAYMENT AGREEMENTS FOR FAMILIES **[24 CFR §792.103]**

A Repayment Agreement as used in this plan is a document entered into between the LACDA and the person who owes a debt to the LACDA. The Repayment Agreement contains:

- Reference to the paragraphs in the family obligations whereby the person is in non-compliance and may be subject to termination of assistance; and
- A statement that the monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the LACDA; and
- The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income; and
- Late and missed payments constitute default of the repayment agreement and may result in termination of assistance; and
- An acknowledgment by the person of the debt in a specific amount; and
- The terms of repayment; and
- Any special provisions of the agreement.

17.2.1 Late Payments

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due.

- If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, the LACDA may do one or more of the following:

- Require the family to pay the entire arrearage plus current month's payment in order avoid loss of assistance;
- Require the family to pay the balance in full in order to avoid losing assistance;
- Pursue civil collection of the balance due; or
- Terminate the housing assistance.

17.2.2 Requests To Move

If the family requests to move to another unit and has a repayment agreement in place, the family will be required to pay the balance in full prior to the issuance of a voucher, regardless of whether or not the family is current with its payments.

Under special circumstances indicated below, the LACDA may make an exception and allow a family to move without paying the entire balance of the debt if the family is current or can become current with its payments:

- HAP contract is terminated due to owner non-compliance
- A natural disaster
- The unit is uninhabitable or has major HQS deficiencies that are not the result of a family action or inaction.
- A life-threatening situation such as the family is a witness to or a victim of a crime and must move for safety reasons. The family will be required to provide proof in such cases.

17.2.3 Guidelines for Repayment Agreements

The LACDA, at its sole discretion, will determine on a case-by-case basis whether or not to offer a family a repayment agreement for monies owed to the LACDA. The offer of a repayment agreement does not constitute an agreement to continue the family's assistance. However, the LACDA will propose termination of the family's assistance upon refusal by the family to enter into a repayment agreement.

Repayment Agreements will be executed between the LACDA and the head of household or other adult family member.

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of hardship, and the approval of a LACDA Manager.

If the LACDA offers a repayment agreement, the family has the option to repay retroactive rent balances as follows:

1. In a lump sum amount; or
2. A monthly payment; or
3. A combination of a lump sum and monthly payment.

The LACDA will usually ask that the family pay an initial lump sum (in an amount determined by the LACDA) with the remaining balance to be paid in equal payments over a period of time not to exceed 12 months for amounts under \$2,400 or 24 months for any amount in excess of \$2,400.

In determining the initial lump sum, the LACDA will consider the total amount owed, the ability of the person to make the remaining payments and the percentage of the total sum owed. In most cases, the LACDA will ask the family to pay a significant initial lump sum as part of entering into a Repayment Agreement to help ensure full payment to the LACDA and to reduce the monthly payment. These terms will be negotiated with the tenant.

Additional Debt Incurred: If the family has a Repayment Agreement in place and incurs an additional debt to the LACDA:

- The LACDA may choose, at its discretion, to agree to more than one Repayment Agreement at a time with the same family.
- If a Repayment Agreement is in arrears more than 30 calendar days, any new debts must be paid in full.

17.3 FAMILY DEBTS OWED FOR UTILITY REIMBURSEMENT PAYMENTS

Families must repay Utility Reimbursement Payments (URP) made by the LACDA for periods in which the family was not entitled to the URP.

If the amount of the URP owed to the LACDA is \$50 or less, the tenant will be required to pay the debt in full.

17.4 FAMILY DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION [24 CFR §792.103]

HUD's Definition of Program Fraud and Abuse: A single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Housing Choice Voucher Program funds in violation of Housing Choice Voucher Program requirements.

17.4.1 Family Error/Late Reporting

Families who owe money to the LACDA due to the family's failure to report income or change in allowances or deductions will be required to repay in accordance with the guidelines set forth in 17.2 (Repayment Agreements for Families) of this chapter.

17.4.2 Program Fraud

At the LACDA's discretion, families who owe money to the LACDA due to program fraud will be required to repay the debt, and may be required to accept a repayment agreement in accordance with the guidelines set forth in Section 17.2 (Repayment Agreements for Families) of this chapter.

In addition, the case may be referred to the Inspector General and/or the LACDA may refer the case for criminal prosecution.

17.5 FAMILY DEBTS PAID IN FULL

If the LACDA determines not to enter into a Repayment Agreement, or if the Repayment Agreement is breached and the LACDA demands payment of the balance in full, the family must pay the full amount due and owing in one lump sum. If the family fails to pay, the LACDA will terminate the family's assistance and may pursue collection through a collection agency or a civil action and may notify credit agencies of the debt. Whether or not the amount is paid, the LACDA does not waive its right to take other action including termination of assistance or referral for criminal prosecution in appropriate cases.

17.6 OWNER DEBTS TO THE LACDA

If the LACDA determines that the owner has retained Housing Assistance or Claim Payments the owner is not entitled to, the LACDA may deduct the amounts owed from future Housing Assistance or Claim Payments owed the owner for any units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, LACDA may do one or more of the following:

- Require the owner to pay the amount in full within 30 calendar days;
- Pursue collections through the local court system;
- Pursue collections through a collection agency; or
- Restrict the owner from future participation;
- Agree to a repayment agreement with the owner for the amount owed. Repayment period may not exceed 2 months; however an owner may appeal to the Executive Director in writing for additional time.

17.6.1 Owner Debts Due to Fraud

If the landlord has been overpaid because of fraud, misrepresentation or violation of the contract, the LACDA may terminate the contract and arrange for restitution to the LACDA and/or family as appropriate.

The LACDA will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Possible remedies available to the LACDA include: recovering monies owed from payments otherwise due to the owner, setting up a repayment agreement, referring the debt to a collection agency, or pursuing the matter in a civil court. A determination on the course of action to be taken will be based on the nature of the violation and the amount of the money owed. Generally,

if the owner is cooperative, is willing to pay back all monies owed, and all monies will be repaid within 2 months, the LACDA will offer the owner a chance to enter into a Repayment Agreement. However, in cases where the owner knowingly and willfully violated program rules, the LACDA may seek full repayment in one lump sum.

17.7 WRITING OFF DEBTS

Debts may be written off if:

- The debtor's whereabouts are unknown and the debt is more than 3 years old.
- A determination is made that the debtor is judgment proof.
- The debtor is deceased and has an insufficient estate.
- The debtor is confined to an institution indefinitely or for more than 3 years.
- The amount is less than \$100 and the debtor cannot be located.
- If a family defaults on a repayment agreement for an amount less than \$50.

CHAPTER 18: SPECIAL PROGRAMS

18.1 **INTRODUCTION**

The LACDA periodically has the opportunity to apply for targeted funding for special populations. The LACDA often enters into collaborative agreements with other agencies or County departments to qualify for and/or administer these funds. **Special Program policies and procedures are the same as that of the Housing Choice Voucher program except as otherwise noted. If there is a conflict between program regulations and the Admin Plan, the program regulations have precedence.**

Currently, The LACDA's Special Needs Housing and Special Program Units administer the following targeted programs:

- Family Unification Program (Family UP);
- Welfare-to-Work Program (WtW);
- Continuum of Care Program (CoC);
- Housing Opportunities for Persons with AIDS Program (HOPWA);
- Veterans Affairs Supportive Housing (VASH) Program, and
- The Family Self-Sufficiency Program (FSS).

This chapter provides details on the special programs currently administered by the LACDA. This section is divided into two main parts:

- Housing Assistance Programs, and
- Family Self-Sufficiency Program.

Housing Choice Voucher Welfare-to-Work Program (WtW) Program. This program originally provided assistance to families who were eligible for CalWORKs benefits, were in good standing with the employment/job training program offered by the Los Angeles County Department of Public and Social Services (DPSS) and were in need of housing in order to obtain or retain employment. The LACDA no longer accepts applicants for the Welfare to Work program, however original participants still receive assistance with a Welfare to Work voucher. The LACDA maintains these contracts in accordance with the policies found throughout this Plan for traditional Housing Choice Vouchers.

18.2 **VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM**

This program provides rental assistance to homeless veterans and their families in combination with case management and clinical services through the Department of Veterans Affairs (VA) at Veterans Affairs Medical Center (VAMC) supportive service sites.

18.2.1 Referral Process/Waiting List

The LACDA does not maintain a waiting list for the VASH Program. Instead, the VAMC utilizes a Coordinated Access System to refer homeless veterans and their families to the LACDA for VASH program rental assistance.

18.2.2 Eligibility

To qualify for VASH rental assistance, applicants must meet HUD's income eligibility requirements. To determine final eligibility, the LACDA may verify all information submitted by applicants.

VASH applicants are not subject to a criminal background check, except to determine if any member of the family aged 13 and older is subject to a lifetime sex offender registration requirement.

For more specific information on eligibility requirements, refer to Chapter 2 Admission Eligibility Factors and Applicant Requirements.

18.2.3 Income Targeting

VASH applicants are not subject to income targeting requirements. The LACDA may include the admission of an extremely low-income VASH applicant in its income targeting report for the fiscal year in which the family was admitted.

18.2.4 Denial of Participation

[24 CFR §982.552 and §982.553]

VASH applicants may not be denied assistance except for failure to meet income eligibility or for being subject to a state lifetime sex offender registration requirement. If a VASH applicant is denied assistance, the LACDA will send a copy of the denial notice to HUD Headquarters, Office of Public and Indian Housing, as specified in PIH Notice 2008-37.

18.2.5 Verification Procedures

Since HUD requires that factors of eligibility must be verified, applicants and program participants are required to provide proof of their statements whenever required by the LACDA.

The Homeless Condition Form is not required for VASH participants as the VAMC will verify if the participant is homeless.

18.2.6 Briefing Sessions and Voucher Issuance

Briefing sessions are conducted for all eligible VASH applicants. Families are issued a Housing Choice Voucher with an initial search time of a minimum of 120 days.

See Chapter 8 for policies regarding voucher extensions.

18.2.7 Contracts/Tenant Payments

Similar to the the Housing Choice Voucher Program, VASH program families are contracted based on the payment standards, and participants may pay up to 40% of their adjusted monthly income for the initial lease of a unit.

Unlike the Housing Choice Voucher program, VASH families may enter into an initial lease of less than 12 months [FR-5596-N-01].

For more specific information on determining total tenant payment, please refer to Chapter 6. For more specific information on the new contract process, request for tenancy approval and contract execution, please refer to Chapter 9.

18.2.8 Eligible Housing Types

Along with other eligible housing types listed in Chapter 9 The New Contract Process , VASH families may also use the voucher in a unit owned by the VA on the grounds of the VAMC.

18.2.9 Re-Examinations

The LACDA is required to process annual re-examinations. In cases where a family experiences a change in household composition and/or income between annual re-examinations, the LACDA will process an interim re-examination. The family is required to report all changes in earned and unearned income, assets, expenses, full-time student status, and family circumstances within 10 calendar days of the date the change takes effect.

For more specific information regarding causes for processing annual/interim re-examinations and the requirements for completing annual/interim re-examinations, please refer to Chapter 12 (Re-Examination).

18.2.10 Housing Quality Standards (HQS) Inspections

[24 CFR §982.401 and §982.405]

Housing leased with a VASH voucher must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

After initial occupancy, VASH housing will be subject to at least an annual inspection to ensure that the housing continues to meet HQS.

For more specific information, refer to Chapter 10. Housing Quality Standards and Inspections.

18.2.11 Terminations

[24 CFR §982.552 and §982.553]

VASH families are required to participate in case management services provided by the VAMC. In cases where the VASH family failed to comply with this requirement without good cause, at the direction of the VA, the LACDA must propose termination of the family's assistance.

A VA determination that the family no longer requires case management is not grounds for termination.

VASH participants are subject to the Housing Choice Voucher program rules under the family obligations. For more specific information on family obligations, please see Section 15.8 Family Obligations.

18.2.12 Program Transition

If the VAMC determines the family no longer requires case management services, the LACDA will issue the family a regular Housing Choice Voucher in order to retain the VASH voucher for homeless veterans in need of case management services.

18.2.13 Portability

VASH families may port before initial lease-up, even when they did not reside in the LACDA's jurisdiction at the time of application.

If a VASH family ports to a Public Housing Agency where they can be served by the VAMC that services the LACDA's jurisdiction, the receiving Public Housing Agency must bill the LACDA. If a VASH family ports to another Public Housing Agency with an available VASH voucher and where the family will be served by the VAMC in that area, the receiving Public Housing Agency must absorb the family.

A VASH family may not port to another Public Housing Agency where there is no VAMC that can serve them. They also may not port where the family will receive case management through the receiving Public Housing Agency's VAMC and the receiving Public Housing Agency does not have an available VASH voucher.

For more specific information on allowable moves and eligibility for portability, please refer to Chapter 13 (Allowable Moves/ Portability).

18.3 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

This program specifically targets individuals and families afflicted by HIV/AIDS. Assistance under this program is provided for one year. After the one-year term, all HOPWA participants in good standing are allowed to transition to the regular Housing Choice Voucher Program. This program is also administered by the LACDA in other cities in addition to the cities currently within the LACDA's jurisdiction.

18.3.1 Referral Process/Waiting List

The LACDA does not maintain a waiting list for the HOPWA Program. Eligible families are identified to apply for this program by pre-selected service providers or other agencies and are referred to the LACDA.

18.3.2 Eligibility

Applicants must meet HUD's eligibility requirements for HOPWA to qualify for rental assistance. In order to determine final eligibility, the LACDA may verify all information submitted by applicants.

For more specific information on eligibility requirements, please see Chapter 2 (Admission Eligibility Factors and Applicant Requirements).

18.3.3 Verification Procedures

Since HUD requires that factors of eligibility must be verified, applicants and program participants are required to provide proof of their statements whenever required by the LACDA.

The Verification of Disability and/or Diagnosis Form must be provided for all individuals claiming a disability, especially a disability that is cited as a qualifying factor for the HOPWA program. Written determinations must be made by a medical professional trained to make such determination.

18.3.4 Denial of Participation

If a family previously participated in any special program and violated a family obligation and was terminated, the family may be denied future participation.

Families may be denied participation in the program if they owe the LACDA, or any other housing agency, money in connection with the Housing Choice Voucher Program or Public Housing assistance.

Families referred by contracted Community-Based Organizations (CBO's), will be sent a denial letter and referred to the CBO if there are any further questions.

18.3.5 Criminal Background

Applicants of the HOPWA Program are not required to submit to a criminal background check to determine eligibility.

18.3.6 Briefing Sessions

Briefing sessions are conducted for all special programs. HOPWA applicants are issued certificates.

For more specific information on voucher issuance and briefings, please see Chapter 8 (Voucher Issuance and Briefing).

18.3.7 Contracts/Tenant Payments

The HOPWA program is contracted based on the Fair Market Rents published by HUD and tenant rental portions are limited to 30% of the participant's adjusted monthly income.

For more specific information on determining total tenant payment, please refer to Chapter 6. For more specific information on the new contract process, request for tenancy approval and contract execution, please refer to Chapter 9.

18.3.8 Re-Examinations

The LACDA is required to process annual re-examinations. In cases where a family experiences a change in household composition and/or income between annual re-examinations, the LACDA will process an interim re-examination. The

family is required to report all changes in earned and unearned income, assets, expenses, full-time student status, and family circumstances within 10 calendar days of the date the change takes effect.

For more specific information regarding causes for processing annual/interim re-examinations and the requirements for completing annual/interim re-examinations, please refer to Chapter 12 (Re-Examination).

18.3.9 Housing Quality Standards (HQS) Inspections

[24 CFR §982.401 and §982.405]

Housing leased with a HOPWA Program funds must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

After initial occupancy, HOPWA housing will be subject to at least an annual inspection to ensure that the housing continues to meet HQS.

For more specific information, refer to Chapter 10. Housing Quality Standards and Inspections.

18.3.10 Terminations

- **Proposed Terminations:** Community Based Organizations and/or other government units or departments currently contracted by the LACDA to provide supportive services may request termination of housing assistance for a program participant who is in violation of program requirements and/or conditions of occupancy.
- **Terminations:** Housing assistance may be terminated if a family violates specific program requirements and/or the family obligation.

For more specific information on family obligations, please see Chapter 15 (Family Obligations).

18.3.11 Portability

HOPWA participants have no portability rights as long as they continue being assisted under this program. However, after 1 year of HOPWA assistance, eligible participants are converted to the regular Housing Choice Voucher program and become eligible to port out to another Public Housing Agency jurisdiction.

For more specific information on allowable moves and eligibility for portability, please refer to Chapter 13 (Allowable Moves/ Portability).

18.3.12 Confidentiality

To protect a participant's confidentiality as it relates to a medical diagnosis, all communication with persons other than the HOH shall not include any reference to the Program including its acronym. Communications include, but are not limited to, program forms, emails, and telephone calls.

18.4 HOUSING CHOICE VOUCHER FAMILY UNIFICATION (FAMILY UP) PROGRAM

This program provides assistance to families who are in imminent danger of losing or who cannot regain custody of their minor children due to lack of adequate housing and to foster care youth at risk of homelessness. This program is a collaborative effort between the LACDA and the Los Angeles Department of Children and Family Services (DCFS). Eligible program participants are identified by DCFS and referred to the LACDA for rental assistance. The LACDA may also refer program participants from the LACDA waiting list to DCFS.

The FUP program is funded from the LACDA's routine voucher turnover, i.e. vouchers that are vacated throughout the year because families are terminated from the program or voluntarily leave.

For the purpose of the FUP program, the LACDA will not require that a program applicant qualify for a residential preference since most applicants are homeless and are unable to provide information about their last known permanent address. However, applicants must agree to reside in the LACDA's jurisdiction for the first year of assistance.

18.4.1 Referral Process/Waiting List

Eligible individuals and families are identified to apply for these programs by DCFS and are referred to the LACDA. Those referred will be maintained on the LACDA's waiting list.

18.4.2 Eligibility

Applicants must meet HUD's eligibility requirements for the FUP program to qualify for rental assistance. In order to determine final eligibility, the LACDA may verify all information submitted by applicants.

The eligibility requirements for FUP youth are limited to those ages 18 to 24 that are homeless or at risk of being homeless, and for those that left foster care at age 16 or older, or those that are within 90 days of leaving foster care.

For more specific information on eligibility requirements, please see Chapter 2 (Admission Eligibility Factors and Applicant Requirements).

18.4.3 Verification Procedures

Since HUD requires that factors of eligibility must be verified, applicants and program participants are required to provide proof of their statements whenever required by the LACDA.

18.4.4 Denial of Participation

If an applicant previously participated in any special program and violated a family obligation and was terminated, the applicant may be denied future participation.

Applicants may be denied participation in the program if they owe the LACDA, or any other housing agency, money in connection with the Housing Choice Voucher Program or Public Housing assistance.

Applicants will be sent a denial letter and referred to DCFS if there are any further questions.

18.4.5 Criminal Background

Program applicants will require criminal background checks.

For more specific information on the applicant screening standards used by the LACDA when reviewing criminal records, please see Section 2.8 (Denials of Assistance).

18.4.6 Briefing Sessions

Briefing sessions are conducted for all eligible applicants.

For more specific information on voucher issuance and briefings, please see Chapter 8 (Voucher Issuance and Briefing).

18.4.7 Contracts/Tenant Payments

The FUP program is contracted based on the payment standards, and participants may pay up to 40% of their adjusted monthly income.

For more specific information on determining total tenant payment, please refer to Chapter 6. For more specific information on the new contract process, request for tenancy approval and contract execution, please refer to Chapter 9.

18.4.8 Re-Examinations

The LACDA is required to process annual re-examinations. In cases where a family experiences a change in household composition and/or income between annual re-examinations, the LACDA will process an interim re-examination. The family is required to report all changes in earned and unearned income, assets, expenses, full-time student status, and family circumstances within 10 calendar days of the date the change takes effect.

For more specific information regarding causes for processing annual/interim re-examinations and the requirements for completing annual/interim re-examinations, please refer to Chapter 12 (Re-Examination).

18.4.9 Terminations

- **Proposed Terminations:** DCFS may request termination of housing assistance for a program participant who is in violation of program requirements and/or conditions of occupancy.
- **Terminations:** Housing assistance may be terminated if a family violates specific program requirements and/or the family obligation.

For more specific information on family obligations, please see Section 15.7 Family Obligations.

18.5 FAMILY SELF-SUFFICIENCY PROGRAM **[24 CFR §984.101(a)]**

Family Self-Sufficiency promotes the development of local strategies to enable families to achieve economic independence and self-sufficiency. The program is designed to provide supportive services for families who are residents within the LACDA's jurisdiction. Supportive services include but are not limited to childcare, education, transportation, counseling, job preparation, vocational training and home ownership workshops.

New admissions to the Family Self-Sufficiency program will be limited to the level of available funding.

Upon becoming employed, FSS participants continue to pay rent in accordance with the LACDA's housing choice voucher procedures. Whenever the participant's rent increases due to earned income, the LACDA establishes an interest bearing Escrow Account in their name. If the family successfully completes the contract obligations within 5 years, the family can apply to graduate from the program and receive the accrued portion of their escrow account.

The LACDA is to establish a Program Coordinating Committee (PCC) consisting of at least one representative of the LACDA and at least one of the residents assisted under the section 8 housing voucher program; to assist in securing commitments of public and private resources for the operation of the FSS program.

18.5.1 FSS Application Process

Applications are readily available to Section 8 program participating families. Upon request, an application will be sent to the family. Tenants will not be penalized for not participating in the FSS Program since it is a voluntary program. Once an application is submitted to the FSS office, eligibility is determined. If the application is not accepted, the tenant will be notified within 30 calendar days.

18.5.2 Waiting List

[24 CFR §984.203(b) and (c)]

If there is no current availability to enroll eligible participants, applicants will be placed on the FSS waiting list in the order of the date and time their applications are received by the LACDA. When a slot becomes available, the next eligible family will be contacted for an interview with an FSS program specialist. Applicants who: 1) fail to respond; 2) do not attend the interview; and/or 3) are not willing to sign the FSS Contract of Participation will be removed from the waiting list in accordance with section 24 CFR §984.203(c).

The LACDA's FSS program will give priority to incoming portable families with an active FSS Contract of Participation.

18.5.3 FSS Eligible Families

[24 CFR §984.103]

FSS eligible families are housing choice voucher holders and/or residents of County Public Housing.

- "FSS family" or "participating family" means a family that receives assistance under Public Housing or the Housing Choice Voucher Program and elects to

participate in the FSS Program and whose designated head of FSS family has signed the Contract of Participation.

- “Head of the FSS family” means the adult member of the FSS family who is the head of household for purposes of determining income eligibility and rent.

18.5.4 Denial of Participation **[24 CFR §984.303 and §984.305(b)]**

If a family previously participated in the FSS Program but did not meet its obligations and was terminated, the family may be denied future participation.

Families may be denied participation in the program if they owe the LACDA or any other housing agency money in connection with the Housing Choice Voucher Program or Public Housing assistance.

18.5.5 Contract of Participation (COP) **[24 CFR §984.303]**

If the family is eligible to participate, the LACDA will prepare a Contract of Participation (CoP) and an Individual Training and Services Plan (ITSP) for the household within 30 calendar days of the date the application is returned. The COP is valid for five years and may be extended up to two years to allow the family to meet their goals. Following execution of the CoP and ITSP, participants are referred to an FSS case manager for contract administration and may also be referred to a contracted Community Based Organization (CBO) for supportive services. The contract will contain the effective date as well as the expiration date. It will outline the resources, supportive services, and the starting base for determining the escrow account. In addition, the contract will outline the guidelines for administering and disbursing the escrow funds in accordance with [24 CFR §984.303(b)(1)].

18.5.5.1 Needs Assessment

The LACDA will perform a needs assessment with the family using various needs assessment tools. Upon completion of the assessment, the FSS case manager will be able to establish the milestones, and short and long-term goals designated for the head of household on the ITSP and any other participating family members with an executed ITSP.

18.5.5.2 Individual Training and Service Plan (ITSP)

The contract must contain an ITSP for the FSS head of household. Other adult family members who wish to receive services must also have an individual training and services plan to participate in the FSS program. The resources and services to be provided must be contained in the plan. It must contain the milestones, interim goals and final goal for suitable employment.

Each individual FSS contract must contain an ITSP for the FSS head of household and any participating family member. The items included on the ITSP will include:

- The resources and services to be provided by the LACDA and contracted supportive services provider;
- The individual milestones, interim goals and final goal for suitable employment;

- Completion dates for each individual interim goals will be included on or before the contract expiration date;
- A mandatory interim goal for families receiving welfare is that all family members must be free of welfare assistance for 12 consecutive months prior to the expiration of the contract (including extensions) [24 CFR §982.306(b)(2)];

The requirement for the head of the FSS family to seek and maintain suitable employment throughout the term of the contract; and

Each ITSP plan must be signed by the participant and a LACDA representative.

Any changes to the ITSP must be included as a revision to the original plan. The revision may be based on the following reasons: factors keeping the client from effectively becoming suitably employed, lack of supportive services, and unforeseen circumstances/barriers. The revision must include:

- The item changed;
- Signature of the participant and a LACDA representative; and
- The date signed.

18.5.5.3 Executing the FSS Contract of Participation (CoP) **[24 CFR §984.303]**

The CoP establishes an agreement between the family and the LACDA as to the responsibilities of each party. The contract is to be signed by the head of the FSS family, which is the head of household for purposes of determining eligibility. The effective date of the contract will be the first of the month after the contract is executed. The limited term is 5 years. Copies of the documents will be furnished to the head of household.

The CoP may be modified in the following areas, if the LACDA and the family mutually agree [24 CFR §984.303(f)]:

- Individual Training and Services Plan
- The contract term (extension)
- Designation of the FSS head of the family in cases where the FSS head is deceased or becomes unassisted

A change in the designated FSS head must be included as an attachment to the Contract. It must contain the following:

- Name of new designated FSS head
- The signatures of the new FSS head and a LACDA representative
- The date signed

The following representative(s) is/are authorized to execute a contract on behalf of the LACDA: the Special Programs Manager, the FSS Coordinator, and the FSS Program Specialist.

18.5.5.4 Contract Extensions **[24 CFR §984.303(d)]**

The contract may be extended in writing and at the family's request, for up to 2 years for good cause. The LACDA will only grant an extension in rare circumstances that are beyond the control of the family, and which prevent completion of the training and services plan. Termination of employment for nonperformance by the FSS head is not justification for a contract extension. The LACDA may extend the CoP to allow families to meet the interim goal of being welfare-free at least 12 consecutive months prior to the expiration of the contract. During an extension to the contract, the family continues to have FSS amounts credited to the escrow account.

18.5.5.5 Completion of the Contract **[24 CFR §984.303(g)]**

The contract of participation is considered to be completed, and a family's participation in the FSS Program is considered to be concluded when one of the following occurs:

- The FSS family has fulfilled all of its obligations under the Contract of Participation on or before the expiration of the contract term, including any extension thereof; or
- For HCV FSS participants only, 30% of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on the PHA's occupancy standards. The Contract of Participation will be considered completed and the family's participation in the FSS Program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the family members who have individual training and services plans have not completed all the activities set forth in their plans. The head of the FSS family must certify that to the best of his or her knowledge, no member of the FSS family is a recipient of welfare assistance (cash maintenance payments) on the last day in which 30% of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies for based on the PHA's occupancy standards.
- **NOTE:** Public Housing participant families are excluded from the second option, which allows for COP completion or graduation if 30% of the family's monthly-adjusted income is greater than or equal to the area's FMR.

The LACDA may set milestones for employment and other activities leading to self-sufficiency early in the 5-year contract term in accordance with the family's abilities. The family's obligations may terminate before the end of the 5-year contract term, and the family's participation in the FSS Program and entitlement to the escrow may be less than 5 years.

18.5.5.6 Termination of the Contract **[24 CFR §984.303(h)]**

The contract of participation is automatically terminated if the family's Section 8 assistance is terminated in accordance with HUD requirements. The Contract of Participation may be terminated before the expiration of the contract term, and any extension thereof, by:

- Mutual consent of the parties;
- The failure of the FSS family to meet its obligations under the contract of participation without good cause, including in the Section 8 FSS Program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA;
- The family's withdrawal from the FSS Program;
- Such other act as is deemed inconsistent with the purpose of the FSS Program;
- or
- Operation of law

18.5.6 Compliance With The Lease **[24 CFR §984.303(b)(3)]**

The Contract provides that the family must comply with the assisted lease. Therefore, noncompliance with County Housing Development lease, or the lease with the owner in the Housing Choice Voucher Program, is grounds for termination of the FSS Contract of Participation.

In the Housing Choice Voucher Program, if the violation of the lease is "serious or repeated," the LACDA may also terminate program assistance.

18.5.7 Escrow Accounts **[24 CFR §984.305]**

The general concept of the escrow account is that FSS families continue to pay rent in accordance with their incomes (even as their incomes increase due to employment income). As a rule, the amount of the increase in earned income is escrowed. Because there are other factors that affect the family rent, it will not necessarily be dollar for dollar. The amount escrowed for the family will depend on whether the family is considered a very low- or low-income family.

- **Disbursing the FSS Escrow Account:** The amount in an FSS account, in excess of any amount owed to the LACDA by the FSS family, is paid to the head or designated remaining family member of the FSS family [24 CFR §984.305(c)]:
 - When the contract of participation has been completed. The head of the family must provide written certification that no member of the family is receiving welfare assistance (cash maintenance payments); and
 - For HCV FSS participants only, when 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. The family must provide written certification that no member of the family is receiving welfare assistance (cash maintenance payments).

- **NOTE:** Public Housing participant families are excluded from the second option, which allows for COP completion or graduation if 30% of the family's monthly-adjusted income is greater than or equal to the area's FMR.
- **Interim Disbursement:** The LACDA may, at its sole discretion, disburse a portion of the funds from the family's escrow account during the contract period for contract-related expenses if the family has fulfilled certain interim goals and needs a portion of the FSS account funds for purposes consistent with contract such as [24 CFR §984.305(c)(2)]:
 - School tuition;
 - Business start-up expenses;
 - Car when public transportation is unavailable or inaccessible to the family; or
 - Job training expenses.

The family may use the final disbursement of escrow account funds without restriction.

The LACDA cannot restrict a family's use of FSS escrow account funds withdrawn by the family unless the funds are withdrawn to aid in the completion of an interim goal.

- If a family receives an advance payment from their escrow account prior to completing the Contract, the advance payment does not have to be repaid to the LACDA if the family drops out of the FSS program, unless the payment was due to fraud or misinformation by the family.

If the family moves outside of the LACDA's jurisdiction under the Housing Choice Voucher Program portability procedures, the LACDA may transfer the balance of the family's FSS escrow account to another public housing agency [24 CFR §984.306(e)].

18.5.7.1 Reporting on FSS Accounts **[24 CFR §984.305(3)]**

- Each FSS family will receive an annual report on the status of the family's FSS escrow account, which will include:
 - The balance at the beginning of the reporting period;
 - The amount of the family's rent payment that was credited to the FSS account during the reporting period;
 - Any deductions made from the account for amounts due to the LACDA before interest is distributed;
 - The amount of interest earned on the account during the year; and
 - The total in the account at the end of the reporting period.

18.5.7.2 Forfeiting the FSS Escrow Account **[24 CFR §984.305(f)]**

Amounts in the FSS escrow account will be forfeited if:

- The Contract of Participation is terminated;

- The Contract of Participation is completed but the family is receiving welfare assistance when the contract expires, including extensions; or
- The head of the family dies and the remaining members of the family choose not to continue participating in the program, and the contract obligations have not been met.

If families do not pay their rent to the owner, the funds may be forfeited because:

- Compliance with the applicable housing choice voucher or Public Housing lease is a family obligation under the Contract, and
- Nonpayment of rent is grounds for terminating a family's FSS participation and forfeiture of the escrow.

In the housing choice voucher program, FSS account funds forfeited by the family will be treated as program receipts for payment of program expenses under the LACDA's Housing Choice Voucher Program budget. Escrow funds may be used by the LACDA for HUD-approved expenses; such expenses may include rental assistance payments.

In Public Housing, the forfeited account will be credited to the LACDA's operating reserves and counted as other income in the calculation of the Public and Indian Housing Performance Funding System (PFS) operating subsidy eligibility for the next budget year. The escrow funds may be used by the LACDA for HUD-approved expenses such as Public Housing maintenance costs.

18.5.8 Change in Family Composition

If the head of the FSS family no longer resides with other family members in the assisted unit, the remaining family members of the family will have the right to designate another family member to receive the funds. The LACDA must approve this change.

If a family with two adults splits up, the LACDA will determine if the escrow should be paid. The family may be paid if the family member that continues to reside in a Housing Development and/or retains the rental assistance through the Housing Choice Voucher Program:

- Is already head of the FSS family, or
- Was not designated as head of the FSS family but now designates himself or herself to receive the escrow account.

18.5.9 FSS Termination/Cancellation/Portability **[24 CFR §984.303(h)]**

The LACDA is responsible for determining whether the family has violated the FSS contract and whether the family's rental assistance should be terminated.

18.5.9.1 FSS Termination Due To Portability **[24 CFR §984.306(f)]**

If an FSS family relocates to another Public Housing Agency located *outside* of the County of Los Angeles' geographic area, the family will be terminated from HACoLA's FSS Program.

If an FSS family ports to another Public Housing Agency after the initial term of their FSS COP, and the receiving Public Housing Agency is absorbing the family, the family will have up to 1 year to transfer its FSS COP to the receiving Public Housing Agency, if the receiving Public Housing Agency is willing to enroll the family into its FSS program

If the receiving Public Housing Agency does not have an FSS Program or rejects the family, the family will be terminated from LACDA's FSS Program.

If a relocating FSS family is unable to fulfill its obligation under the FSS contract, the LACDA or the receiving Public Housing Agency, whoever is party to the FSS Contract of Participation may:

- Terminate the family from the FSS Program and the family's FSS account will be forfeited, and
- Terminate the family's rental assistance since the family failed to meet its obligations under the FSS contract.

If the family's FSS account is forfeited, the funds in the account will revert to the Public Housing Agency maintaining the FSS account for the family and will be treated as program receipts.

CHAPTER 19: ENHANCED HOUSING CHOICE VOUCHER ASSISTANCE

19.1 INTRODUCTION [24 CFR §886 & §882]

Enhanced voucher assistance will be offered to eligible residents under the following categories of Housing conversion actions - owner opt-outs and preservation prepayments, who are residing in the property on the date of the eligibility event (the contract expiration or the effective date of the prepayment).

In addition, although families affected by Section 8 moderate rehabilitation opt-outs are eligible for enhanced vouchers which are subject to the policies described by this section, these opt-outs are not considered a housing conversion action because the expiring contract is between the owner and the LACDA.

Families residing in eligible project-based developments on the date of the owner's prepayment/termination/opt-out will be offered a subsidy (enhanced voucher) if they meet other eligibility criteria. A family will be required to contribute a minimum amount toward rent.

Unlike a regular voucher, the subsidy is "enhanced" to cover the difference between the normally applicable payment standard and the possibly higher proposed rent of the unit that is going through the housing conversion action and Moderate Rehabilitation program opt-outs.

19.2 TERMS/PROVISIONS

The residents of the project-based program under the HUD Section 8 Contract are eligible to receive an Enhance Housing Choice Voucher if the participant eligibility screening is approved, including the criminal background check requirement.

The LACDA issues a family an enhanced voucher based on the number of bedrooms the family qualifies for under the current subsidy standards, not actual size of the unit the family is occupying. If the bedroom size of the family's unit exceeds the number of bedrooms the family qualifies for under the current subsidy standards the family is *over-housed*.

19.2.1 Characteristics of Enhanced Voucher Assistance

Enhanced vouchers have several special requirements but in all other respects are subject to normal housing choice voucher program rules.

- 1. Payment standard where the family chooses to stay in the same project.**

For families who choose to remain in place, the payment standard equals the new proposed gross rent. The payment standard equals the new gross rent for the unit after the opt-out or prepayment (provided the gross rent is reasonable based on comparable units).

If the Total Tenant Payment (TTP) exceeds the applicable payment standard at conversion, then the tenant is not eligible for assistance.

2. Payment standard where the family chooses to move.

In all cases where the family decides to move from the development, HCV rules apply. (The payment standard equals the lesser of the new gross rent or payment standard).

This payment standard includes situations where the family must move in order to receive assistance because the proposed new rent for the family's current unit in the preservation/opt-out development is reasonable in relation to comparable units.

3. Housing Quality Standards (HQS) Inspections

For families that chose to remain in place, the unit must meet the HQS performance requirements both at commencement and throughout the assisted tenancy. After the unit meets the initial HQS performance requirements, the unit will be subject to at least an annual inspection to ensure that the housing continues to meet HQS. For more specific information, refer to Chapter 10. Housing Quality Standards and Inspections.

4. Rent Reasonableness

When an in-place family receives an enhanced voucher, the LACDA ensures the rent reasonableness of the proposed gross rent for the family.

5. Minimum Rent Requirement

All families who stay in their current unit or move to an appropriate size unit within the same development and receive assistance with an enhanced voucher (whether previously assisted or non-assisted) are subject to a statutory minimum rent. The minimum rent is the amount of rent the family was paying on the date of the conversion action or Section 8 Moderate Rehabilitation owner opt-out. The minimum rent represents the lowest amount the family may pay as their family contribution. Depending on the circumstances, the family may have to pay more than the minimum rent.

6. Calculating HAP Payments

When a family with an enhanced voucher remains in-place (or moves to an appropriate size unit within the development) AND the new gross rent exceeds the applicable payment standard and is rent reasonable; the HAP equals the new gross rent for the unit minus the GREATER of:

- 30% of the monthly adjusted family income, or
- 10% of the family gross income, or
- The gross total tenant payment (TTP or family contribution for an assisted family) that the family was paying on the date of the prepayment/termination; i.e. minimum tenant rent.

19.2.2 Availability of Appropriate Size Units in the Project

The over-housed family must move to an appropriate size unit or suitable (smaller than the unit the family currently occupies but no smaller than the unit size the family qualifies for) in the project if one is available in order to receive enhanced

voucher assistance. The enhanced voucher housing assistance payment calculation is based on the gross rent of the appropriate size unit.

19.2.3 No Appropriate Size Units Currently Available in the Project

If there is no appropriate or suitable size unit currently available for the family in the project, the LACDA executes a HAP contract on behalf of the family for the oversized unit, provided the rent is reasonable and the unit complies with all other program requirements such as the housing quality standards.

The enhanced voucher housing subsidy calculation is based on the gross rent for the oversized unit. The subsidy calculation will continue to be based on the gross rent (including subsequent rent increases) for the oversized unit until an appropriate or suitable size unit in the project becomes available for occupancy for the family.

19.2.4 Actions when Appropriate Size Units Later Become Available in the Project

The owner must immediately inform the LACDA and the family when an appropriate or suitable size unit becomes available in the project. When an appropriate or suitable sized unit becomes available, the family residing in the oversized unit must move to the appropriate or suitable sized unit within 30 days from the date of the passed inspection, or within 60-days if an extension was granted (based upon extreme hardship), to continue to receive enhanced voucher assistance. One 30-day extensions may be authorized as a result of an extreme hardship that prevents the family from moving during the initial 30-day period. An extreme hardship includes, but is not limited to, financial hardship, personal illness, the illness or death of a relative (regardless of whether the person is a member of the proposed assisted household), and instances in which the head, spouse or co-head were required to be out of the local area or were otherwise unavailable to move into the available unit. Such matters will be considered on an individual basis and must be supported by verifiable documentation.

The family and owner will enter into a new lease and the LACDA will execute a new HAP contract with the owner for the smaller bedroom size unit. The enhanced voucher subsidy calculation will be based on the gross rent for the smaller bedroom size unit.

If an over-housed enhanced voucher family refuses to move to an available smaller unit, staff will calculate the family's housing assistance payment (HAP) for the oversized unit based on the current applicable voucher subsidy formula using the applicable payment standard. The family will be responsible for any amount of the gross rent not covered by the housing assistance payment.

19.2.5 Decrease in Family Size or Change in Family Composition

If, as a result of a decrease in family size or change in family composition, an enhanced voucher family later becomes over-housed, the same policy regarding over-housed enhanced voucher families would apply. The family would continue to receive enhanced voucher assistance in the oversized unit until such time that an appropriate or suitable sized unit becomes available for occupancy by the family in the project.

If an over-housed enhanced voucher family refuses to move to the appropriate or suitable sized unit, staff will calculate the family's housing assistance payment (HAP) for the oversized unit based on the current applicable voucher subsidy formula using the applicable payment standard. The family will be responsible for any amount of the gross rent not covered by the housing assistance payment.

If there are more over-housed families than the number of available appropriate or suitable sized units in a project at any given time, the LACDA will require families to move to the appropriate or suitable size unit by prioritizing first according to the families that have been over-housed the longest (by move-in date) and secondly the family's anniversary date (if needed). If the family is unable to move due to a disability and a reasonable accommodation has been approved, we will move to the next household by date of their initial lease.

For families who choose to vacate, the enhanced voucher becomes a regular housing choice voucher and the eligibility requirements policy is the same as for screening regular admissions for the Housing Choice Voucher Program. Families are then also eligible for portability and the minimum rent requirement is no longer applicable.

19.3 COVERED HOUSING CONVERSION ACTIONS

There are two types of housing conversion actions that the property owners can choose: preservation pre-payment or opt-out.

1. Pre-payment date is the date the owner officially "pays off" their HUD-insured mortgage. The property is no longer considered a Project-Based or Affordable Development, and the owner is free to increase rents to market levels. As early as 60 days after this "pre-payment date," the residents are no longer protected by the subsidy or affordable rents.
2. Opt-out is where owners elect to discontinue the existing contract with HUD and no longer desire to participate in any subsidy program. In cases when owners pre-pay either their mortgage loan or opt-out of the Section 8 Housing Assistance, federal law requires that owners provide the tenants with a 1-year notification before the expiration of the Section 8 Contract. The owners are required to give proper notice of intent to pre-pay or opt-out to HUD, a notice of intent to pre-pay loan to California Housing Partnership Office, the Participant City, the local LACDA, and the Legal Aid Foundation. These notifications must be sent at least 1 year in advance, along with the notice of intent to increase the rent with a minimum of 60-day notice to the tenants of such a rent increase.

19.3.1 Family Eligibility for Enhanced Vouchers

Preservation Prepayment: A family/individual is eligible to receive an enhanced voucher subsidy due to a preservation prepayment in an eligible development on the effective date of prepayment or voluntary termination of mortgage insurance and is income-eligible on that effective date:

- **The family is an elderly or disabled moderate-income family; (at least 80% but does not exceed 95% of area median income); or**
- The family annual income is low (at or below 80% of area median income) or very low-income (at or below 50% of area median income); or
- A moderate-income family residing in a low vacancy area (3% or less vacancy rate) as determined by the local HUD office; and
- The family resides in the development on the conversion date; and
- The unit is an appropriate size; and passes HQS.

A family not qualified in one of the categories on the effective date of the prepayment/termination is not eligible, regardless of whether the family's income situation changes during the next 12 months.

Unassisted and Assisted Families: Both unassisted and assisted families may be eligible for the enhanced voucher subsidy.

- Assisted Families are families residing in the development at the time of the prepayment/termination who currently receive tenant-based rental assistance from a local PHA. These participants must abide by the special provisions of the enhanced vouchers if the family chooses to remain in the unit. Continued residency at the development invokes minimum rent requirements.
- Unassisted Families are families residing in the development at the time of the prepayment/termination and are not current tenant-based voucher recipients.

Opt-Out: A family is eligible to receive an enhanced voucher subsidy due to an owner electing not to renew an expiring Section 8 project-based contract (Opt-Out) if:

- The family has an annual income that is at or below 80% of area median income, and
- The family resides in a unit covered by the expiring contract on the date of the expiration, and
- The amount the family pays for gross rent exceeds 30% of their adjusted monthly income as a result of the owner's rent increase, and
- The unit the family presently occupies or chooses to occupy is an appropriate sized unit and passes an HQS inspection.

19.4 DENIAL OF ENHANCED VOUCHER SUBSIDY

The LACDA may deny a family an enhanced voucher for the same reasons listed for denial of rental assistance in the regular HCV program, including income ineligibility, delinquencies, classification as a lifetime sex offender, or for other criminal activity.

The LACDA must provide a family that is denied assistance an opportunity for an informal review according to Chapter 16 (Informal Reviews/Hearings).

CHAPTER 20: MODERATE REHABILITATION PROGRAM

20.1 INTRODUCTION

[24 CFR §882]

The Moderate Rehabilitation (Mod Rehab) Program was designed in 1978 to be an expansion of the rental certificate program. The rental certificate program was initially amended to permit moderate levels of rehabilitation to upgrade and preserve the housing stock. The rental certificate program required a minimum expenditure of \$1,500 in repairs to meet the program housing quality standards.

After the work was completed, owners entered into a 15-year Housing Assistance Contract with the local Public Housing Agency. Using this 15-year rental certificate contract, the Public Housing Agency helped the owner repay the loan by subsidizing the rents of low-income participants at a higher-than-fair market rate. The contract tied rental subsidies to the building not the participant. Although funding is no longer available for new participants, the Housing Assistance Division continues to administer existing contracts under this program. **Mod Rehab policies and procedures are the same as those of the Housing Choice Voucher program except as otherwise noted. If there is a conflict between program regulations and the Admin Plan, the program regulations have precedence.** For the re-examination process for the participant, see Chapter 12 (Re-Examination). On family obligations, see Section 15.7 Family Obligations. These rulings apply to the Section 8 Certificate Program and the Housing Choice Voucher Program.

20.2 THE EXPIRED 15-YEAR CONTRACTS

The 15-year contracts have since expired. HUD has authorized housing authorities to extend expiring Moderate Rehabilitation Contracts under certain conditions. These conditions are as follows:

- The project must have five or more units. If a building has five or more units, but only one of the units is under Moderate Rehabilitation Program then the unit is covered under the contract. The building still qualifies for an extension because the requirement is tied to the project not the contract.
- The owner must be in good standing with the current contract. Examples of non-compliance: on-going non-compliance with the Housing Quality Standard inspections.

20.3 REQUESTING AN EXTENSION

The LACDA closely monitors the expiration dates for all Moderate Rehabilitation contracts and sends the owners a letter asking if they would like to request an extension. Owners need to reply immediately to this letter if they wish to extend another year. The extension of the contract is for 1-year. HUD has allowed the LACDA to continue to extend the “extension” contract for another year. This has been the practice since 1996. However, there is no guarantee that the contracts will continue to be extended in the future.

If an owner does not wish to extend the Mod Rehab Contract for their building, they are under no obligation to extend the contract. Rules governing the Moderate Rehabilitation program require that the owners give their tenants 1-year notice in advance of the expiration of the contract and their intent to opt-out of the program. The families will receive enhanced vouchers and have the right to remain in the units as long as the units are used for rental housing. If the family chooses to vacate the Mod Rehab unit, then the family will be given a Housing Choice Voucher.

If an owner does not provide a family with the required notice, the family is protected as if they were under an assisted tenancy until 1 year from the time the owner actually provides the notice. This means that if the owner elects not to renew the contract and the family chooses to remain in the unit as an unassisted tenant, the owner will be required to accept the family portion of the rent as full payment until he/she has complied with the notification requirement.

20.4 ANNUAL INCREASE FOR THE EXPIRED 15-YEAR CONTRACTS

The LACDA will send the owner a letter regarding their upcoming expiration date and advise them of their annual increase that may be granted to them providing that they choose to extend their contract. The owner must respond immediately for an extension so that the LACDA can expedite the process to secure funding for the new coming year.

The methodology used to calculate the rent that an owner may be eligible to receive under the renewal contract is different. To determine the rent under the extension contract the LACDA must compare the following three rent analyses:

- Existing contract rents multiplied by the Operating Cost Adjustment Factors (OCAF);
- The Mod Rehab FMR (120% of the existing Fair Market Rents) minus the Utility allowance; and
- Comparable market rents

The rent under the extension contract is based on the lowest of the above three figures. The LACDA will complete this analysis for the building and provide the owner with a copy.

For the participant's re-examination process, see Chapter 12 (Re-Examination). For family obligations, see Section 15.7 Family Obligations. These two rulings apply to the Section 8 Certificate Program and the Housing Choice Voucher Program.

20.5 NON-EXPIRED MOD REHAB CONTRACTS

For those Mod Rehab contracts that have not reached their 15-year contract, the annual increases may be granted providing:

- The owner submits a proper 60-day notice, prior to the anniversary date, of their rent increase amount to the LACDA.

- The new rent increase does not exceed the annual adjustment factor and comparables justify the increase.
- The unit has passed inspection.

20.6 REQUEST TO MOVE

Since the assistance is attached to the unit and not the participant, assistance will be terminated for participants who relocate from their Mod Rehab unit. Participants who were selected from the Housing Choice Voucher waitlist and have been issued a voucher must submit their proper 30 day notice to their owner and provide a copy to the LACDA prior to vacating their unit. At the time of vacate an owner may claim vacancy loss (see Section 20.13 Owner Claims) waiting lists.

20.7 WAITING LIST [24 CFR §882.513]

The LACDA will use a separate waiting list for each project under the Mod Rehab program. Applicants currently on the tenant-based assistance waiting list will be given an opportunity to place their name on a Mod Rehab waiting list, with their original date and time intact. If a new applicant applies to the tenant-based waiting list, the applicant will be given the opportunity to also place their name on any open Mod Rehab waiting list.

If a Mod Rehab waiting list is opened to the public, it will be advertised on the LACDA's website, along with its admissions preferences, in accordance with HUD fair housing guidelines and using the equal housing opportunity logotype, statement and slogan.

20.8 REFERRALS [24 CFR §882.514]

All assisted units must be leased to families found eligible and referred to the owner by the LACDA from the LACDA's waiting list. Admissions procedures will follow those outlined in Chapter Four of this Plan.

When vacancies occur, the LACDA will refer to the owner one or more appropriate size families on its waiting list.

If the LACDA is unable to refer a sufficient number of interested applicants on the waiting list to the owner within 30 days of the owner's notification to the LACDA of a vacancy, the owner may advertise or solicit applications from income-eligible families and refer them to the LACDA to determine eligibility.

Since the owner is responsible for tenant selection, the owner may refuse any family provided that the owner does not unlawfully discriminate. Should the owner reject a family and should the family believe that the owner's rejection was the result of unlawful discrimination; the family may request the assistance of the LACDA in resolving the issue. If the issue cannot be resolved promptly, the family may file a complaint with HUD, and the LACDA may refer the family to the next available Moderate Rehabilitation unit.

20.9 NEW LEASE PROCESS

Once the applicant has been determined eligible by the LACDA for the Mod Rehab program, the LACDA will contact the applicant and schedule them for a briefing. After the briefing the applicant will then be referred to the owner for tenancy approval (this includes the owner selection process in Section 20.8 Referrals). Once the tenant is approved by the owner, the LACDA will contact the owner/manager to schedule a new lease inspection.

Upon passing of the initial inspection, the LACDA will contact the owner to obtain the new lease which will include the effective date and security deposit information.

Upon receipt of the signed lease, the LACDA will release the HAP payment to the owner.

20.10 PHYSICAL CONDITION AND INSPECTION REQUIREMENTS

[24 CFR §882.404 and §5.705]

Housing assisted through the Moderate Rehabilitation program must be maintained and inspected in accordance with the requirements in 24 CFR part 5, subpart G.

The LACDA is responsible for conducting a physical inspection of Moderate Rehabilitation program housing annually in accordance with HUD-prescribed physical inspection procedures. The housing is subject to the Lead-Based Paint requirements specified at 24 CFR §882.404(d) and Chapter 10. Housing Quality Standards and Inspections.

20.11 SECURITY DEPOSITS

[24 CFR §882.414]

If at the time of the initial execution of the lease the owner wishes to collect a security deposit, the maximum amount shall be the greater of one month's Total Tenant Payment or \$50. For units leased in place, security deposits collected prior to the execution of a Contract which are in excess of this maximum amount do not have to be refunded until the family vacates the unit subject to the lease terms. The family is expected to pay security deposits and utility deposits from its resources and/or other public or private sources.

20.12 OVERHOUSED AND UNDERHOUSED TENANTS

[24 CFR §882.509]

If the LACDA determines that a unit is not decent, safe, and sanitary by reason of an increase in family size or that a unit is larger than appropriate for the size of the family according to the LACDA's occupancy standards, housing assistance payments with respect to the unit will not be abated.

The owner must offer the family an appropriate size unit should one be available and the family will be required to move. If the owner does not have a suitable available unit, the LACDA will assist the family in locating other standard housing in the area within the Family's ability to pay. The family will be required to move to such a unit as soon as possible.

In no case will a family be forced to move nor will housing assistance payments under the Contract be terminated unless the family rejects, without good reason, the offer of a unit which the LACDA judges to be acceptable.

20.13 TERMINATION OF TENANCY
[24 CFR §882.511]

The must not terminate or refuse to renew a family's lease, except on the following grounds:

- (1) Serious or repeated violation of the terms and conditions of the lease.
- (2) Violation of applicable Federal, State or local law.
- (3) Other good cause.

20.13.1 Notice of Termination of Tenancy

The Owner must serve a written notice of termination of tenancy on the family which states the date the tenancy shall terminate. Such date must be in accordance with the following:

- (i) When termination is based on failure to pay rent, the date of termination must be not less than five working days after the family's receipt of the notice.
- (ii) When termination is based on serious or repeated violation of the terms and conditions of the lease or on violation of applicable Federal, State or local law, the date of termination must be in accordance with State and local law.
- (iii) When termination is based on other good cause, the date of termination must be no earlier than 30 days after the notice is served on the family.

The notice of termination must:

- (i) State the reasons for such termination with enough specificity to enable the family to prepare a defense.
- (ii) Advise the family that if a judicial proceeding for eviction is instituted, the tenant may present a defense in that proceeding.
- (iii) Be served on the family by sending a prepaid first class properly addressed letter (return receipt requested) to the tenant at the dwelling unit or by delivering a copy of the notice to the dwelling unit.

20.13.2 Continuation of Housing Assistance Payments

A family's eligibility for Housing Assistance Payments shall continue until the Total Tenant Payment equals the gross rent. The termination of eligibility for HAP at such point will not affect the family's other rights under its lease, nor will such

termination preclude the resumption of payments as a result of later changes in income, rents or other relevant circumstances during the term of the Contract.

20.14 OWNER CLAIMS

Under the Moderate Rehabilitation Program, owners may make a special claim for damages, unpaid rent, and vacancy loss after the tenant has vacated the unit. Owner claims for payment for unpaid rent, damages, or vacancy loss will be reviewed for accuracy and completeness and compared with records in the file. The LACDA establishes standards by which to evaluate claims, but the burden of proof rests with the owner.

If vacancy loss is claimed, the LACDA will ascertain whether the family gave proper notice of its intent to move. The file will also be reviewed to verify owner compliance at the time the contract was terminated.

The LACDA will pay properly filed claims to the owner as a function of the contract; however, any amount paid to the owner by the tenant will be reimbursed to the LACDA from the owner.

20.14.1 Unpaid Rent **[24 CFR §882.414 (d)]**

Unpaid rent only applies to the tenant's portion of rent while the tenant is in residence under the assisted lease and only until the termination date of the HAP contract.

Separate agreements are not considered a tenant obligation under the lease and the LACDA will not reimburse the owner for any claims under these agreements.

20.14.2 Vacancy Loss **[24 CFR §882.411]**

Vacancy loss under the Mod Rehab Program is paid if an eligible family moves from the assisted unit, unless the move was a consequence owner action in violation of the lease or contract..

In order to claim vacancy loss, the unit must be available for lease and the landlord must:

1. Notify the LACDA within 72 hours upon learning of the vacancy, or prospective vacancy, and
2. The LACDA will require documentation from the owner that the owner pursued all possible activities to fill the vacancy, including, but not limited to:
 - Not rejecting potentially eligible applicants except for good cause acceptable to the LACDA; or
 - Providing a list of income-qualified applicants to the LACDA in the case where the LACDA's waiting list cannot provide sufficient eligible applicants for the unit. The owner must document that attempts to find eligible applicants, such as:

- Contacting applicants on the owner's waiting list, if any;
- Advertising the availability of the unit.

When a tenant moves, the landlord may claim vacancy loss for the amount of Housing Assistance Payment (HAP) the owner was entitled to for the rest of the month in which the tenant vacated. Additionally, the owner may receive HAP in an amount not to exceed 80% of the contract rent for an additional month. However, if the owner collects any of the family's share of the rent for this period, the payment must be reduced to an amount which, when added to the family's payment, does not exceed 80 percent of the Contract Rent. Any such excess must be reimbursed by the owner to the LACDA.

In the event that a unit becomes vacant because of death, the LACDA will permit the owner to keep the HAP for the month in which the tenant died, but will pay no further HAP.

20.14.3 Damage Claims

To ensure valid claim processing, the LACDA will conduct a thorough move-in inspection noting conditions as well as HQS deficiencies, take pictures of questionable items, and send a report of all items to the owner and tenant.

The owner must be present during the move-out inspection and only damages claimed by the owner are reimbursable.

All claims for damages must be supported by the actual bills for materials and labor and a copy of the canceled checks or other receipts documenting payment. Estimates are accepted at the discretion of the LACDA depending upon the nature of the work to be done.

Bills from individuals providing labor must include their name, Social Security number, address and phone number. The owner may not bill himself/herself for labor since that is not considered by the LACDA to be an "actual cost". However, the actual cost of the owner's employees' labor, such as the resident manager, to make repairs may be included.

Persons making repairs or replacements must be licensed to do business in Los Angeles County.

Reasonableness of costs will be based on practices consistent with industry standard.

The LACDA may require verification of purchase date, quality, and price of replaced items in order to calculate depreciation.

Claims for unpaid utility bills cannot be approved as part of a claim.

Claims for normal wear and tear, previously existing conditions, routine turnover preparation, and cyclical interior painting are not paid.

The LACDA will inspect the unit to verify that repairs were made.

20.14.4 Move-Out and Close-Out Inspections

Move-out (vacate) inspections are performed for the Mod Rehab Program after the tenant has vacated the unit. These inspections are performed by Program Specialists/Inspectors to assess the condition of the unit, not to evaluate the HQS.

The owner must notify the LACDA of the move-out and request an inspection within 5 calendar days of learning of the move-out, or contract termination, whichever is first, in order to submit a claim for damages.

If the contract was terminated due to owner breach, or the owner was in violation of the contract at the time that it was terminated, there will be no entitlement to claims and therefore no inspection.

The owner and tenant will be notified of the date and time of the inspection. If the owner is not present, the move-out inspection will not be rescheduled.

The LACDA will conduct a move-out inspection on the tenant's request.

In the event that the LACDA is unable to inspect within 10 calendar days, the owner will be permitted to use date-stamped photographs to substantiate the claim.

**20.14.5 Processing Claims
[24 CFR §882.414]**

Any amount owed by the tenant to the owner for unpaid rent or damages will first be deducted from the maximum security deposit that the owner could have collected under the program rules. If the maximum allowable security deposit is insufficient to reimburse the owner for the unpaid tenant rent or other amounts which the family owes under the lease, the owner may request reimbursement from the LACDA for the lesser of:

1. The remainder of the amount owed to the owner; or
2. Two months' contract rent minus the greater of the actual amount of the security deposit collected or the maximum amount of security deposit that could have been collected. However, no reimbursement may be requested for unpaid rent after the period in which the family vacates the unit.

20.14.6 Other Requirements for Claims Processing

- The LACDA will require proof that the owner has complied with State and local laws applicable to security deposits before making payment on any claim.
- All notices to tenants during the processing of a claim must include proof of mailing or of personal delivery.
- Costs of filing eviction to remove the tenant or any other legal fees, shall not be reimbursed.

All unpaid rent, damage, and vacancy loss claim forms must be fully complete when they are submitted, and they must be submitted within 30 calendar days of the date the owner learned of the move-out.

CHAPTER 21: PROJECT-BASED VOUCHER PROGRAM

21.1 INTRODUCTION

[24 CFR §983.5 and §983.2]

The Project-Based Voucher (PBV) program is administered by Public Housing Agencies (PHA's) who also administer the tenant-based Housing Choice Voucher program under an Annual Contributions Contract (ACC) with HUD. PBV is assistance that is tied directly to a unit in an approved project, unlike the Housing Choice Voucher program, where assistance is tied to the participant. HUD permits PHA's to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance. The policies regarding the Housing Choice Voucher program apply to the PBV program, except where they are specifically altered in this chapter.

In administering the Project-Based Voucher program, LACDA's goals are to:

- Attract more affordable developments to the LACDA's jurisdiction;
- Preserve affordable units that might otherwise become market-rate units;
- Increase affordability of housing for families making below 30% of the area median income;
- Further HUD and LACDA goals of deconcentration; and
- Increase housing opportunities for target populations (ex. Elderly, Disabled, Chronically Homeless, Special needs families, Transition aged youth)

The LACDA may enter into contracts for Project-Based Vouchers based on the policies outlined in this chapter.

21.2 LEVEL OF ASSISTANCE

[24 CFR §983.6; FR Notice 1/18/2017]

The LACDA will operate a project-based voucher program using up to 20% of the authorized units for Project-Based Vouchers.

When PBV units are already selected for project-based assistance either under an agreement to enter into HAP contract or a HAP contract, the LACDA is not required to reduce the number of the units if the amount of authorized units is subsequently reduced. However, the LACDA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC, regardless of whether the LACDA has vouchers available for project-basing.

21.2.1 Additional project-based units

[FR Notice 1/18/2017; Notice PIH 2017-21]

As permitted, LACDA may project-base an additional 10 percent of its vouchers above the 20 percent program limit. The vouchers may be distributed among

one, all, or a combination of the categories as long as the total number of vouchers does not exceed the 10 percent cap. Vouchers under this requirement will be tied to units that qualify under this exception only if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran. A veteran means an individual that has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR §5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

Impact on Existing Contract. PBV units that fall into one of the four categories listed above may be covered by this 10 percent exception authority only if the units are covered under a HAP contract that was first executed on or after April 18, 2017. Units added on or after April 18, 2017, through an amendment of a HAP contract that was first executed prior to April 18, 2017, are not eligible for the 10 percent exception authority.

21.2.2 Units Not Subject to the PBV Program Limitation **[FR Notice 1/18/2017; Notice PIH 2017-21]**

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count towards the 20 percent limitation when the PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017.

21.3 HUD NOTIFICATION OF INTENT TO PROJECT-BASE

The LACDA must notify HUD of its intent to project-base its vouchers. The LACDA must submit to the local HUD Office the following information:

- The number of units authorized under the ACC for LACDA;
- The number of PBV units entirely excluded from the percentage limitation;
- The number of units qualifying under the 10 percent program cap exception category;
- The number of units currently committed to PBV (excluding those PBV units meeting an exception). To arrive at the “number of units committed to PBV,” total the number of units that are:
 1. Currently under PBV HAP contract;
 2. Under an Agreement to Enter into HAP contract (AHAP); and/or
 3. Covered by a notice of proposal selection (24 CFR §983.51(d)); and
- The number of units to which the LACDA is proposing to attach project-base assistance through the new Request for Proposal (RFP) or selection.

The above information must be submitted no later than 14 calendar days prior to undertaking any of the following actions:

- Issuing a request for proposal (RFP) (24 CFR §983.51(b)(1));
- Selecting a project based on a previous competition (24 CFR §983.51(b)(2));
- If applicable, selecting a project without following a competitive process (certain PHA-Owned projects).

The LACDA must await a response from HUD prior to proceeding with the proposal.

21.4 OWNER PROPOSAL SELECTION PROCEDURE **[24 CFR §983.51]**

The LACDA may use one of the following methods to select owner proposals:

1. Request for Proposal (RFP): The LACDA may issue a competitive request for PBV proposals. An RFP may not be limited to a single site and may not impose restrictions that practically preclude owner submission of proposals for PBV on different sites.

The LACDA will publish an RFP in at least one newspaper of general circulation, as well as post the RFP on the LACDA's website. The submission deadline will be included in the RFP and a detailed application and selection criteria will be provided to all interested parties.

2. At the discretion of the LACDA, projects may be selected for PBV assistance using proposals for housing developed using federal, state, or local government housing assistance, community development, or a supportive services program that requires competitive selection of proposals (e.g., HOME, competitively-awarded Low-Income Housing Tax Credit, Affordable Housing Trust Funds), where the proposal has already been selected in accordance with such program's competitive selection requirements within three years of the LACDA's PBV selection date, and the earlier selection proposal did not involve any consideration that the project would receive PBV assistance.

Once a project is selected to receive PBV assistance, the LACDA will give public notice within 60 days of its selection on its website at www.lacda.org.

21.4.1 Units Selected Non-Competitively

[FR Notice 1/18/2017 and PIH Notice 2017-21]

Project-based assistance for Housing Authority-owned properties will not be competitively bid. To project-base Housing Authority-owned units, the LACDA must be engaged in an initiative to improve, develop, or replace a public housing property or site. The LACDA can make project-based funding available in its owned properties in response to a written request. A separate request is required per property and must include the following: name and address of the property; the total number of units; requested number of units project-based vouchers, number of vouchers requested per unit size (including square footage

for SRO's), proposed rent per unit size, population to be served, and name, title and contact information for the project liaison. An original signature from the Department Director or authorized delegate is required on the written request. E-mailed and/or faxed requests will not be accepted.

21.5 HOUSING ELIGIBLE FOR ASSISTANCE **[24 CFR §983.52 AND §983.53]**

The LACDA will consider proposals for existing, newly constructed, and rehabilitated housing.

The following types of housing are ineligible under the Project-Based Voucher Program:

- Shared housing;
- Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care, except an assisted-living facility that provides home health care services such as nursing and therapy for residents of the housing;
- Units owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
- Manufactured homes; and
- Transitional Housing;
- Units occupied by owners; and
- Units occupied by ineligible families.

PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

A member of a cooperative who owns shares in the project assisted under the PBV program is not to be considered an owner for purposes of participation in the PBV program.

21.6 CAP ON NUMBER OF PBV UNITS IN EACH PROJECT **[24 CFR §983.56]**

The LACDA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

21.6.1 Exception to 25 Percent per Project Cap **[24 CFR §983.56 and PIH Notice 2017-21]**

As of April 18, 2017, units are not counted against the 25 percent per project cap if:

- The units are exclusively for elderly families.
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project.
- If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of units in the project.

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services

Projects where the caps were implemented prior to HOTMA (HAP Contracts were executed prior to 04/18/2017) must continue to use the former exceptions until the project's HAP contract under the old requirements is renewed or unless the PHA and owner agree to amend the conditions of the HAP contract. However, the LACDA will not make changes to a HAP contract if it is determined that the change would jeopardize an assisted family's eligibility for continued assistance in the project.

21.6.2 Supportive Services – HOTMA

As of 04/18/2017, the project and LACDA must make supportive services available to all families receiving PBV assistance in the project, but the families does not actually have to accept and receive supportive services for the exception to apply to the unit. It is not necessary that the supportive services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

The LACDA will not require families living in excepted units to receive supportive services. Families will be offered the opportunity to enroll in either LACDA's FSS program or other Supportive Services Program offered through the project, as a condition of occupancy.

Supportive Services offered include, but are not limited to:

- LACDA's Family Self-Sufficiency (FSS) program;
- Case Management
- Mental Health Care
- Substance Use Services

- Employment and Training
- Education program where there is a reasonable expectation of leading to self-sufficiency
- Life Skills
- Physical Health Care
- Benefits Assistance
- Representative Payee
- Legal Assistance
- Child Care (if applicable)
- Adult Day Care

21.6.3 Pre HOTMA Projects

Projects under HAP contract in effect prior to April 18, 2017, remain obligated by the terms of those HAP contracts with respect to the requirements that apply to the number and types of excepted units in a project, unless the owner of the project and LACDA mutually agree to change those requirements.

The LACDA and owner may agree to change such HAP contract requirements as it pertains to the exception categories of elderly families and families eligible for supportive services. The LACDA and owner must not change the terms of an existing HAP contract to add a new category of excepted unit.

The PBV contract may not be changed to conform with the HOTMA requirement if the change would jeopardize an assisted family's eligibility for continued assistance at the project (e.g. the excepted units at the project include units designated for families with a household member with disabilities, and changing to the HOTMA standard would result in those units no longer being eligible as excepted units unless the owner makes supportive services available to all assisted families in the project).

A HAP contract may be amended, at LACDA's discretion, to add additional PBV units in the same project. The LACDA may use this amendment process to add units where applying the new project cap definition results in more PBV units. HOTMA overrides existing regulation so that new units may be added at any time during the term of the HAP contract without being subject to competitive selection procedures. All other requirements of 24 CFR §983.207(b) must be met, including not exceeding the 20 percent program cap.

21.6.4 Supportive Services – Pre-HOTMA Projects

For projects using the former supportive services statutory exemption (which required that the family be receiving the supportive services) and/or the exemption for families with a household member with disabilities, the LACDA and the owner will continue to operate under the pre-HOTMA requirements and will continue to renew HAP contracts under the old requirements, unless the LACDA and the owner agree by mutual consent to change the conditions to conform with the HOTMA requirement.

21.6.5 Qualifications for Supportive Services – Pre HOTMA Projects

It is not necessary that the supportive services be provided at or by the project.

At least one member of the family must be receiving the supportive service for the unit to remain excepted from the 25% cap.

Participation in medical- or disability-related services is not required as a condition of living in an excepted unit, other than a substance use treatment program for the member of the family with the substance misuse disorder, although such services may be offered.

21.6.6 Supportive Services Monitoring – Pre HOTMA Projects

Participant compliance with a supportive service contract will be monitored at least annually. The LACDA will request a status update for the participant's supportive service contract at the anniversary of said contract. The LACDA may request a status update on the supportive service contract more frequently, at its discretion.

Providers of supportive services must provide the LACDA any changes to the program within thirty days of when those changes occur. Providers must also immediately report to the LACDA when a family fails to meet the supportive service contract requirements.

21.6.7 Failure to Meet Supportive Service Requirements – Pre HOTMA Projects

When a family living in an excepted unit fails to meet the requirements of a supportive service contract, and is living in the excepted unit because of the supportive services received, the LACDA will propose termination of the contract. The family will not be issued a voucher to move.

The owner and participant will be given a sixty-day notice of the proposed termination of the HAP contract. The owner may at that time terminate the lease and issue an order to vacate by the HAP contract termination date.

If a family fails to meet the requirements of the supportive service contract for good cause, as determined by the LACDA, and is qualified to become reinstated in the supportive service program within a reasonable time period, the LACDA may counsel the family on its obligations and allow reinstatement of the supportive service contract.

21.7 PROJECT SELECTION CRITERIA
[24 CFR §983.57]

The following criteria will be considered when evaluating proposals for Project-Based Voucher assistance:

1. Housing that serves homeless families;
2. Housing that serves disabled families or individuals;
3. Housing that serves elderly families or individuals;
4. Housing that serves families with children, consistent with the needs indicated by HACoLA's waiting list; and/or

5. Other documented needs
6. Serving very low-income families in mixed-income projects;
7. Other appropriate criteria consistent with regulation.
8. Housing that provides an appropriate level of supportive services to residents;
9. Housing that serves low- to extremely low-income families for the life of the project;
10. Other criteria consistent with regulation.

21.7.1 Selection Requirements for All PBV Assisted Proposals

Eligible projects must meet the following LACDA requirement:

If any portion of a proposed new construction development site is within 500 feet of a freeway, the project must be designed in such a way as to exclude from this 500-foot freeway “buffer” area any portion of the residential building, as well as play areas, community rooms, gardens, patios, and other areas where residents may reasonably be expected to congregate. The LACDA shall review and approve, at its sole discretion, any site plans for developments of this type.

21.7.2 Selection Requirements for All Housing Types

A project may be selected to receive PBV assistance only if it is or will be located in a census tract that meets one of the following criteria:

- (i) A HUD-designated Enterprise Zone, Economic Community or Renewal Community;
- (ii) The concentration of assisted units will be or has decreased as a result of public housing demolition;
- (iii) Is undergoing significant revitalization;
- (iv) State, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
- (v) New market rate units are being developed that will positively impact the poverty rate in the area;
- (vi) Meaningful opportunities for educational and economic advancement exist.

Additionally, the site must be suitable in terms of furthering and facilitating all Fair Housing requirements.

The site must also meet the HQS site and neighborhood standards found in section 10.3.11 of this Plan.

21.7.3 Requirements for Selecting Existing and Rehabilitated Housing **[24 CFR §983.151]**

The LACDA will only select existing and rehabilitated housing projects that meet the following criteria:

- (1) The site is adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)
- (2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- (3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- (4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. This requirement does not apply to senior projects.

21.7.4 Requirements for Selecting New Construction Housing

The LACDA will select only new construction housing projects that meet the following criteria:

- (1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- (2) The site must not be located in an area of minority concentration, except as permitted under number (3) of this section.
- (3) A project may be located in an area of minority concentration only if:
 - (i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration;
 - a. Application of this sufficient, comparable opportunities standard involves assessing the following factors:
 - i. Significant number of assisted housing units is available outside areas of minority concentration.
 - ii. There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
 - iii. There are racially integrated neighborhoods in the surrounding area.
 - iv. Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing

- units) undertaken to expand choice for minority families outside of areas of minority concentration.
- (v) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
 - (vi) The project is necessary to meet overriding housing needs that cannot be met in that housing market area.
 - 1. Application of the “overriding housing needs” criterion may permit approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).
 - 2. An “overriding housing need,” may not serve as the basis for determining that a site is acceptable, if the basis for the decision is that discrimination related to race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.
- (4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas poverty concentration.
- (5) The neighborhood must not be seriously detrimental to family life or one in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.
- (6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- (7) Except for new construction housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

HOTMA Changes to Definitions of PHA-owned Housing and Use of Independent Entities [24 CFR §983.51(e), §983.59, FR-5976-N-03 and PIH Notice 2017-21]

Definition of PHA-owned units: A unit in a project that is:

- (a) Owned by the PHA (including a controlling interest in the entity that owns the unit)
- (b) Owned by an entity controlled by the PHA
- (c) Owned by an LLC or LP in which the PHA holds a controlling interest in the managing member or general partner

Controlling interest means:

- (a) Holding more than 50% of the stock of any corporation; or
- (b) Having the power to appoint more than 50% of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50% of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; or
- (d) Holding more than 50% of all managing member interests in an LLC; or
- (e) Holding more than 50% of all general partner interests in a partnership; or
- (f) Having equivalent levels of control (more than 50%) in other ownership structures

A unit is not considered to be PHA-owned when:

- (a) The PHA holds a fee interest as ground lessor of the property (land) but not in the building itself
- (b) The PHA holds only a security interest under a mortgage or deed of trust on the unit; or
- (c) The PHA has only a non-controlling interest in an entity that owns the unit

If a unit is PHA-owned as defined above, the PHA must establish a separate legal entity to serve as the owner. Such entity may be a non-profit affiliate of the PHA, LLC, LP, corporation or other legally acceptable entity recognized under State law. Such entity would serve as the owner for purposes of execution of the HAP contract. The PHA and independent entity shall submit a joint certification to the HUD Field Office prior to performing any of the functions listed below, certifying that the PHA and independent entity have no legal, financial, or other connection that would create a bias. A unit of government at a level higher than the LACDA may perform these functions without HUD approval.

The independent entity must perform the following functions:

- Review the PHA's PBV selection process (May also be conducted by HUD Field Office)
- Establish contract rents and determine rent reasonableness
- Provide a copy of the rent reasonableness determination to the PHA and HUD Field Office
- Establish the term of the HAP Contract and any extensions if applicable
- Inspect the units
- Provide a copy of the inspection report to the PHA and HUD Field Office

21.8 AGREEMENT TO ENTER INTO THE HAP CONTRACT **[24 CFR §983.152]**

If a rehabilitated or newly constructed project, as defined by regulation, is selected by the LACDA to receive Project-Based Vouchers, the LACDA will enter into an Agreement to enter into a Housing Assistance Payment (AHAP) contract with the owner in the form required by HUD.

In the AHAP, the owner agrees to develop the contract units to comply with HQS, and the LACDA agrees that, upon timely completion of the development in accordance with the terms of the AHAP, the LACDA will enter into a HAP contract with the owner for the contract units.

The LACDA may not pay or enter into an agreement if commencement of construction or rehabilitation occurs after proposal submission. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing. Commencement of construction occurs when excavation of site preparation (including clearing of the land) begins.

Delays in completion of rehab/construction may result in termination of the agreement.

The PHA may extend the completion deadline for unforeseen factors outside of the owner's control.

The owner must obtain the PHAs approval for any changes in work. If the owner does not do so, the PHA may set a lower initial rent.

21.8.1 Subsidy Layering Review (SLR) **[24 CFR §983.55]**

The LACDA may only provide assistance in accordance with HUD subsidy layering regulations and other requirements.

A subsidy layering review will not be required to enter into an agreement or to execute a contract between the LACDA and the owner when a project has not received any form of government housing assistance, other than the PBV assistance.

A subsidy layering review is required for any new construction or rehabilitation project receiving a form of government housing assistance in addition to project-based vouchers. The LACDA will not enter into an AHAP with the owner until the project has successfully passed a subsidy layering review by HUD or other HUD-approved agency

The owner must certify in the HAP contract that the project has not received and will not receive any other form of public assistance during the life of the HAP contract other than that disclosed in the subsidy layering review.

21.8.2 Environmental Review **[24 CFR §983.58]**

The Project Based Voucher program is subject to National Environmental Policy Act environmental review pursuant to the requirements at 24 CFR Part §983.58 and 24 CFR Part 58.

If it is determined that an environmental review is required for new construction or rehabilitation projects, the LACDA will not commit any funds under PBV assistance nor enter into an AHAP with the owner until HUD approves a release of funds.

21.9 SELECTION OF PARTICIPANTS **[24 CFR §983.251]**

The LACDA will only provide PBV assistance to families determined eligible, consistent with Chapter Two of this Plan.

21.9.1 Waiting List

The LACDA will use a separate waiting list for each project receiving Project-Based Voucher assistance or sets of units within a project if there are multiple eligibility restrictions for special needs populations.

If applicable, projects receiving Project-Based Voucher or Project-Based VASH assistance are required to use a Coordinated Access System to identify and refer 80 percent of its eligible applicants for the project's waiting list.

Applicants currently on the tenant-based assistance waiting list will be given an opportunity to place their name on a PBV waiting list, with their original date and time intact. If a new applicant applies to the tenant-based waiting list, the applicant will be given the opportunity to also place their name on any open PBV waiting list.

Upon admission to the PBV program, the applicants name will be removed from any other project-based voucher waiting lists that the applicant has applied for.

21.9.2 Protection of In-Place Families

Families who reside in units selected to receive PBV assistance on the proposal selection date and who are also eligible in accordance with Section 2.2 of this Plan, will be given the opportunity to place their name on the appropriate PBV site-based waiting list. An absolute preference will be given to that family to be selected from the waiting list. If the family is then determined fully eligible for the PBV program under all LACDA eligibility criteria, the family will then be referred to the owner for an appropriately-sized unit in the project.

21.9.3 Local Preferences

Applicants on any PBV waiting list are subject to the system of local preferences as it pertains to that particular waiting list. PBV site-based waiting lists will have admissions preferences that reflect the target population of each project.

When PBV buildings are selected, the LACDA will publicly notice the selection, as well as the target population of each project. As new waiting lists are opened, a notice will be sent to the Housing Choice Voucher (Section 8) tenant-based waiting list identifying available site-based PBV lists and their respective admissions preferences. If a site-based waiting list is opened to the public, it will be advertised on the LACDA's website, along with its admissions preferences.

Disabled families who need an available accessible unit at a particular project may be awarded first preference from the waiting list.

Disabled families may not be required to accept the supportive services offered nor can a preference be granted for those with a particular disability.

21.9.4 Refusal of Assistance

If a family refuses an offer of PBV assistance or the owner rejects a family for admission to the owner's PBV units, the LACDA may remove the family from the site-based waiting list from which they were selected. Such refusal will not affect the family's position on the tenant-based waiting list or any other PBV site-based waiting list, nor affect any admissions preference for which the family qualifies.

21.10 INFORMATION FOR ACCEPTED FAMILIES

[24 CFR §983.252]

When a family accepts an offer of PBV assistance, the LACDA will provide the family an oral briefing. Attendance at this briefing is mandatory. The briefing will include:

- A description of how the program works;
- Family and owner responsibilities.

A briefing packet will be provided with information regarding:

1. How the LACDA determines total tenant payment;
2. Family obligations; and
3. Applicable fair housing information.

21.11 LEASING OF CONTRACT UNITS

[24 CFR §983.253]

Owners must lease contract units only to eligible families, selected and referred by the LACDA's from the waiting list, during the term of the HAP contract.

Owners must develop written tenant selection procedures consistent with the purpose of improving housing opportunities for very low-income families, related to program eligibility and an applicant's ability to perform lease obligations.

An owner must promptly notify, in writing, any rejected applicant of the grounds for rejection.

Owners must follow the LACDA's subsidy standards when leasing units to referred families.

21.12 VACANCIES

[24 CFR §983.254]

The owner must promptly notify the LACDA of any current or expected vacancy in a contract unit. After owner notice, the LACDA will promptly refer a sufficient number of families to the owner to fill the vacancy.

If any contract unit has been vacant for at least 120 days since the owner notice of vacancy, the LACDA may give notice to the owner amending the HAP contract

to reduce the number of contract units by the number of units that have been vacant for that period.

21.13 TENANT SCREENING
[24 CFR §983.255]

The LACDA may take into consideration any admission criteria outlined in Chapter Two of this Plan in order to screen applicants for eligibility; however, it is the responsibility of the owner to screen applicants for behavior and suitability for tenancy.

The LACDA will provide the owner with the tenant's current and former address, as well as the name and address of the current and/or former landlord, if known. This policy is consistent with information provided to owners under the Housing Choice Voucher program.

21.14 HOUSING ASSISTANCE PAYMENTS CONTRACT

The LACDA must enter into a Housing Assistance Payments (HAP) contract with the owner in order to provide housing assistance payments for eligible families. The LACDA will make housing assistance payments to the owner in accordance with the HAP contract, for contract units leased and occupied by eligible families during the term of the HAP contract.

The LACDA will use the most recent HUD-approved form of the HAP contract.

21.14.1 Execution of the HAP Contract
[24 CFR §983.204, 24 CFR §983.209]

Before the HAP contract may be executed, the LACDA will inspect each contract unit in accordance with section 21.15 of this chapter and Chapter Ten of this Plan.

For existing housing, the HAP contract must be executed within 90 days of passed inspections for all proposed units under the HAP contract.

For new construction or rehabilitated housing, the HAP contract is executed within 60 days after the LACDA has inspected the completed units and is satisfied that said units are completed in accordance with the AHAP and the owner has furnished the required evidence of completion.

By execution of the HAP contract, the owner certifies:

- The owner is and will maintain all contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and in the leases with assisted families;
- Each contract unit is leased to an eligible family and the lease complies with the HAP contract and HUD requirements;
- Members of the assisted family reside in the contract unit and it is their only residence;

- The owner is not a relative of any member of the assisted family by blood or operation of law;
- The amount of the housing assistance payment is the correct amount due under the HAP contract;
- The rent to owner for each contract unit does not exceed the rent due to owner for any comparable, unassisted unit;
- The owner will not receive any other payments beyond the tenant rent and housing assistance payments for the contract unit; and
- The family does not own or have any interest in the contract unit.

21.14.2 Term of the HAP Contract **[24 CFR §983.205 and PIH Notice 2017-21]**

As of April 18, 2017, the LACDA may enter into a new HAP contract with an owner for an initial term of up to twenty years. The length of the initial term of the HAP contract may not be less than one year.

For any PBV HAP contract that is still within the initial term, the LACDA and owner may mutually agree to extend the contract for up to the maximum initial term of 20 years. If the HAP contract is no longer in the initial term, the LACDA will not extend the initial term.

The LACDA may further extend the HAP contract beyond 20 years from the end of the initial term as long as the following conditions are met:

- The LACDA must determine such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities;
- The determination must be made no earlier than 24 months prior to the expiration of the HAP contract.
- The term of the new extension may not exceed 20 years.

Regardless of the length of the extension, all such extensions must meet the same conditions.

The HAP contract may be terminated by the LACDA for insufficient funds. If it is determined there are insufficient funds available to continue to assist all contract units for the full term, the LACDA may give notice to the owner for all or any of the contract units, in accordance with HUD instructions.

21.14.3 Amendments to the HAP Contract **[24 CFR §983.207]**

Amendment to Substitute Contract Units – The LACDA may amend the HAP contract to substitute a different unit with the same number of bedrooms in the same building for the previously assisted unit. Prior to the substitution, the LACDA will inspect the proposed substitution unit and determine reasonable rent.

Amendment to Add Contract Units – At the discretion of the LACDA and provided the number of PBV-assisted units in a project will not exceed the 25%

cap or the 20% budget authority for the PBV program, the HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV units to a building.

If there are already exception units (units in excess of the 25% cap) designated in the HAP contract, the contract may be amended during the same three year period to add additional exception units, provided that the addition does not exceed the 20% budget authority.

The anniversary and expiration date for the added units in either situation will be the same as for the existing units under the HAP contract.

**21.14.4 Termination of the HAP Contract by the LACDA
[24 CFR §983.205(c) and FR Notice 1/18/2017]**

The HAP Contract provides that the term of the PHA's contractual agreement is subject to the availability of sufficient appropriated funding as determined by HUD or the PHA in accordance with HUD instruction. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that the PHA first take all cost-saving measures prior to failing to make payments under existing PBV HAP Contracts.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP Contract, the PHA may terminate the HAP contract by notice to the owner.

As such, the LACDA will implement the HAP Contract termination in accordance with HUD instructions.

**21.14.5 Termination of the HAP Contract by the Owner
[24 CFR §983.205(d)]**

If in accordance with program requirements the amount of rent to an owner for any contract is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to LACDA. In such cases, families living in the contracted units must be offered tenant-based assistance.

21.14.6 Statutory Notice Requirements - Contract Termination or Expiration

[24 CFR §983.206; FR Notice 01/18/2017; and Notice PIH 2017-21]

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the LACDA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the

terminating contract for a period of time sufficient to give tenants one-year advanced notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The LACDA must provide the family with a voucher and the family must also be given the option by the LACDA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness if the gross rent exceeds the applicable payment standard. The family has a right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration of the PBV HAP contract are not new admissions to the HCV tenant-based program, and are not subject to income eligibility requirements or any other admissions requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

21.15 HOUSING QUALITY STANDARDS (HQS) INSPECTIONS **[24 CFR §983.103]**

HQS inspections will be conducted in accordance with Chapter Ten of this Plan. The LACDA may not perform inspections on units where there is a direct or indirect interest by any of its employees or officers.

The LACDA will inspect PBV units at the following times:

- Pre-selection – the LACDA will inspect the proposed site before the proposal of Existing Housing selection date. For existing units, units must substantially comply with HQS before the proposal selection date. Units must fully comply before the HAP contract may be executed;
- Pre-HAP Contract;
- Turnover – the LACDA must inspect a unit before a new family moves in. The unit must fully comply with HQS before a family may receive assistance in that unit;
- Annual – The LACDA will conduct inspections on a random sample of at least 20% of contract units in a building annually. Turnover inspections are not counted toward annual inspections.
- If more than 20% of the annual sample fails the HQS inspections, 100% of the contract units in the building must be inspected.
- Other times – the LACDA will inspect PBV units at other times as necessary to insure the contract units are in compliance with HQS and that the owner is providing utilities, maintenance and other services in accordance with the HAP contract.

21.15.1 HQS Violation **[24 CFR §983.207]**

The LACDA may make no HAP payments to the owner during any period in which the contract unit does not comply with HQS or any other HAP contract requirement.

Remedies for HQS violation include abatement or reduction in HAP payments, reduction of contract units, and termination of the HAP contract.

21.15.2 Inspecting PHA-owned Units

[24 CFR §983.103(f)]

In the case of Housing Authority-owned units, the inspection must be performed by an independent agency designated by the LACDA and approved by HUD. The independent entity must furnish a copy of each inspection report to the LACDA and to the HUD field office where the project is located. The LACDA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the Housing Authority-owner.

21.16 RESTRICTIONS ON RENTING TO RELATIVES

[24 CFR §983.251(a)(4)]

The LACDA will not approve a tenancy if the owner, including principal owners or other interested parties, is the parent, child, grandparent, grandchild, sister, or brother of any member of the family unless the approval is the result of a reasonable accommodation for a disabled family member.

21.17 LEASE

[24 CFR §983.256]

Owners must use the same lease for contract units as for unassisted units, with the lease being in accordance with state law.

The lease must include the HUD tenancy addendum. All provisions in the tenancy addendum must be included in the lease. Provisions in the addendum shall prevail over provisions in the lease.

The initial term of the lease must be for at least one year.

In addition to an initial term of at least one year, the lease must provide for automatic renewal after the initial term. Automatic renewal may be in the form of:

- Renewal for successive definite terms (ex: Month to month or year to year)
- Automatic indefinite extension of the lease term

The lease must specify:

- Names of the owner and tenant;
- Identifying information of the unit rented;
- Term of the lease and any provision for renewal;
- The amount of tenant rent to owner;
- Specification of services, maintenance, equipment, and utilities to be provided by the owner;

- The amount of any charges for food, furniture, or supportive services.

21.17.1 Changes in the Lease

If the tenant and owner agree to any changes in the lease, the change must be in writing and must be submitted to the LACDA immediately.

The owner must notify the LACDA of any proposed change in the lease regarding responsibility for utilities. Such changes may only be made with approval of the LACDA. If the LACDA approves a change in responsibilities for utilities, rent reasonableness must then be re-determined. The rent to owner will be re-calculated from the effective date of the change.

21.17.2 Absence from the Unit

The LACDA's absence policies found in Chapter Six of this Plan will apply to the PBV program. The lease may specify a maximum period of family absence from the unit that is shorter than that specified by the LACDA.

The HAP contract will not be terminated if the family is absent for longer than the maximum period permitted by the LACDA.

21.17.3 Owner Termination of Tenancy and Eviction

Grounds for owner termination and eviction reflect the policies outlined in Chapter Fourteen of this Plan, except that an owner may not terminate tenancy after the initial term of the lease for business or economic reasons, or to repossess the unit for personal, family, or nonresidential use.

If an owner refuses to renew the lease without good cause, the family will be issued a tenant-based voucher and the unit will be removed from the HAP contract.

The lease terminates if the owner terminates the lease for good cause, or the owner and tenant agree to terminate the lease

Owners who wish to terminate a HAP contract by either allowing it to expire or refusing to renew it must give the LACDA and the tenants at least 1 year notice. If a proper notice is not given, the owner must allow families to remain in their units for the balance of the notice period without an increase in the tenant's portion of rent. Under this circumstance, the owner may not evict a family due to an inability to collect an increased tenant portion of rent. An owner may renew a terminating contract for a period long enough to give tenants at least a 1 year notice.

21.17.4 PHA Terminations

[24 CFR §983.2(c)(5)]

The LACDA may terminate a family that violates the family obligations of the PBV program. Subsequent to a proposed termination of a family's assistance, the LACDA will advise the family of its right to an informal hearing as outlined in chapter sixteen of this plan.

The LACDA is required to automatically terminate the HAP contract 180 calendar days after the last housing assistance payment is made to the owner.

- If the family still resides in the unit after the 180 day period and there is still no HAP payment on their behalf, the unit will be removed from the contract.
- If the family has resided in the unit for more than one year, they may request a tenant based voucher and attempt to find a unit for which there will be a HAP payment. No voucher will be issued to a family whose assistance has already been terminated.
- If the unit is in a fully assisted project it may be reinstated once the ineligible family vacates the unit, and in a partially assisted project, another unit may be substituted for the ineligible unit. In both cases the reinstatement/substitution must be in compliance with PBV regulations.

Additionally, the lease terminates if the LACDA terminates the HAP contract or if the LACDA terminates the family's assistance.

The termination of a family's assistance by the PHA alone does not result in an eviction. An owner must pursue eviction in local court. If the owner decides not to pursue eviction, the LACDA may elect to either substitute the ineligible unit or remove the ineligible unit from the HAP contract.

21.17.5 Security Deposits **[24 CFR §983.258]**

The owner may collect a security deposit from the tenant. The amount may not exceed that allowed by state and local law or that charged to unassisted units in the same building.

When the tenant moves out, the owner may use the amount of the deposit, in accordance with the lease and state and local law, as reimbursement for any unpaid tenant rent, damage to the unit, or any other amount the tenant owes under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the balance is not sufficient to cover amounts the tenant may owe under the lease, the owner may seek the remainder from the tenant. The LACDA has no liability or responsibility for payment of any amount owed by the family to the owner.

21.18 CURRENT PARTICIPANT RIGHT TO MOVE WITH TENANT-BASED ASSISTANCE **[24 CFR §983.260]**

Eligible families may terminate the assisted lease at any time after the first year of occupancy. Families who wish to move must first contact the LACDA to request a voucher before submitting a lease termination notice to the owner. Once the LACDA has received a written request for a voucher, the family will be issued a new voucher. If the reexamination is current (within 12 months) the LACDA will not conduct a reexamination before issuing the voucher unless there are reported

changes to income or the family composition that would require an interim reexamination. At the same time the voucher is issued, the family will receive a Request for Tenancy Approval (RTA). The family should begin looking for housing immediately in order to ensure a smooth transition to the new unit.

If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

Requests to move for families wishing to port to another jurisdiction must be submitted in writing.

If a tenant-based voucher is not available at the time of the family's request, the PHA will give the family priority to receive the next available opportunity for continued tenant-based assistance.

21.19 FAMILY OCCUPANCY OF WRONG-SIZE OR ACCESSIBLE UNIT **[24 CFR §983.260]**

If the LACDA determines that a family is occupying the wrong-size unit, or a unit with accessibility features the family does not require, and is needed by a family that requires the accessibility features, the LACDA will offer the family continued assistance in another unit and will notify the family and owner immediately of its offer of continued assistance and determination.

The LACDA may offer continued assistance either in another PBV unit or a tenant-based voucher. If appropriate, the LACDA may refer the family to an available public housing unit or other public or private tenant-based assistance (e.g. HOME).

If the family is given a tenant-based voucher, policies under the Housing Choice Voucher program regarding voucher issuance and expiration will apply. If a family fails to lease a unit with the tenant-based voucher, assistance will be terminated upon expiration of the voucher (and any subsequent extensions granted by the LACDA)

Upon determination that the family is occupying a wrong-size unit or a unit with accessibility features not required by the family and continued assistance is offered in the form of a project-based voucher, the family will have ninety days in which to move to another unit. If the family fails to move or refuses the offer of continued assistance in another unit, assistance to the family will be terminated.

21.20 DETERMINING RENT TO OWNER **[24 CFR §983.301, 24 CFR §983.302, and 24 CFR §983.303(b)(1)]**

The amount of estimated rent to owner must be included in the Agreement for rehabilitated or newly constructed housing. The actual rent to owner must be determined at the beginning of the HAP contract term for all types of housing.

The LACDA may include as part of the HAP contract, a provision that the rent to owner will not be reduced below the initial rent. If the LACDA elects to include such a provision, the rent to owner will not be reduced below the initial rental amount during subsequent reasonable rent re-determinations. Additionally, rents will only be reduced below the initial amounts to correct errors in calculations or if additional housing assistance has been combined with the PBV assistance after

the execution of the initial HAP contract and a decrease is required due to subsidy layering requirements.

The amount of rent to owner is redetermined at the owner's request for a rent increase and when there is a 10% decrease in the published FMR.

Except for certain tax credit units specified below, the amount of rent to owner must not exceed the lowest of:

- An amount determined by the PHA that does not exceed 110% of the FMR (or any exception payment standard approved by HUD), minus the utility allowance; The LACDA will cap this amount at the current payment standard in effect at the time of the determination.
- The reasonable rent; or
- The rent requested by the owner.

21.20.1 Housing Authority – Owned Units

[24 CFR §983.301(g)]

For Housing Authority-owned PBV units, the amount of reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the LACDA and to the HUD field office where the project is located.

Therefore, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The LACDA must use the rent to owner established by the independent entity.

21.20.2 Redetermination of Rent to Owner

[24 CFR §983.302]

The LACDA will only redetermine rent to the owner when the owner requests an increase at the annual anniversary of the HAP contract or when there is a 10% decrease in the published FMR. Notice of rent increase and other limitations on rent adjustments must conform to the above stated policies and section 11.3 of this Plan.

If there is a decrease in rent due to a 10% decrease in the published FMR, the rent to owner must be decreased, whether or not the owner requested a rent adjustment.

The notice of rent adjustment from the LACDA constitutes an amendment of rent to owner specified in the HAP contract.

Rent reasonableness will be determined by a HUD-approved, independent entity for units owned by the LACDA. The entity will provide a copy of the determination to the LACDA and the HUD Los Angeles field office.

The LACDA will not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with all requirements of the HAP

contract, including compliance with Housing Quality Standards. The owner may not receive any retroactive increase of rent for any period of noncompliance.

21.20.3 Rent Determination for Projects with Other Subsidies
[24 CFR §983.304]

Rents may not exceed rent limits as established by the applicable federal program for units subsidized under the following programs:

1. HOME;
2. Insured or non-insured Section 236 project;
3. Formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
4. Section 221(d)(3) below market interest rate (BMIR) project;
5. Section 515 project of the Rural Housing Service;
6. Any other type of federally subsidized project specified by HUD.

The LACDA may set reasonable rents up to 110 percent of the HUD Market Rent in projects receiving Low-Income Housing Tax Credits (LIHTC), even if the rent level exceeds the maximum rent under the LIHTC program.

The LACDA may, at its discretion include provisions in the HAP contract to reduce the initial amount of rent to the owner because of other governmental subsidies.

21.20.4 Rent Control and Other Rent Limitations
[24 CFR §983.305]

Rent control and other rent limitations under local, state or federal law will apply.

21.21 PAYMENT TO OWNER
[24 CFR §983.351]

The LACDA will make HAP payments to the owner in accordance with the HAP contract for the months in which the contracted unit is leased to and occupied by an eligible family. Except for discretionary vacancy payments described in section 21.20.1 of this chapter, the LACDA will not make any payments for any month after the month in which the family moves out of the unit. In order to continue receiving HAP payments, the owner must comply with all provisions of the HAP contract, including HQS.

21.21.1 Vacancy Payments
[24 CFR §983.352]

If a family moves out of a contract unit, the owner may keep the payment for the full calendar month in which the family moves out. The owner may not keep the payment if the LACDA determines that the vacancy is the owner's fault.

Subject to available funding, the LACDA may provide for vacancy payments to the owner not to exceed two months following move out. The vacancy payment may not exceed the amount of monthly rent under the assisted lease, minus any rent

received by the owner, including any available amount from the tenant's security deposit.

Vacancy payments may only cover periods the unit is actually vacant.

The LACDA will only make vacancy payments to the owner if:

- The owner gives prompt, written notice to the LACDA certifying that the family vacated the unit, including the date the family moved out within 72 hours upon learning of the move out, and certifies:
 - The vacancy is not the fault of the owner and the unit was vacant during the period claimed;
 - The owner has taken every reasonable step to minimize the likelihood and length of the vacancy.

The owner must then submit a form requesting vacancy payments and provide the amount of the tenant's security deposit with any amount available to reimburse unpaid rent. The form must accompany receipts substantiating any damages the owner claims from the security deposit. The owner must certify on this form that no other payments were received for the unit during the period vacancy claimed.

21.21.2 Other Charges and Fees
[24 CFR §983.354]

The owner may not require the family to pay charges for any meals or supportive services unless the project is an assisted living development, in which case owners may charge tenants, family members, or both for meals and supportive services. These charges may not be included in the rent to owner and may not be used to calculate rent reasonableness. Nonpayment of such charges is grounds for termination under the lease only in an assisted living development.

The owner may not charge tenants or family members extra amounts for items customarily included in the rent in Los Angeles County, or provided at no additional cost for unsubsidized tenants on the premises.



Shelter Partnership

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October 19, 2020

Georganne M. Colvin, Administrative Analyst
Housing Assistance Division
Los Angeles County Development Authority
700 West Main Street
Alhambra, CA 91801

Submitted via email to HADcompliance@lacda.org

RE: *LACDA 2021 Agency Plan*

Dear Ms. Colvin:

Thank you for the opportunity to provide suggestions for the *2021 LACDA Agency Plan*. Shelter Partnership is a non-profit organization collaboratively solving homelessness in Los Angeles County through policy analysis, program design, resource development, and advocacy in support of agencies and local governments that serve the homeless. Shelter Partnership commends LACDA for their commitment to ending homelessness in Los Angeles.

Local Preferences (Section 4.4)

Shelter Partnership recommends LACDA clarify the Moving On policy in the Administrative Plan. In HUD's annual Continuum of Care Program Competition, the LA Homeless Services Authority, as the lead applicant, is required to demonstrate the local PHA commitment to a Moving On strategy. In the 2019 HUD NOFA, this rating factor read as follows: "Coordinates with the PHAs located in the CoC's geographic area that results in admission preferences for households experiencing homelessness, including move-on strategy which is a partnership between the CoC and one or more PHAs that have an admission preference for participants in PH-PSH who are able and want to move out of supportive housing with a rental subsidy" (<https://files.hudexchange.info/resources/documents/FY-2019-CoC-Program-Competition-NOFA.pdf>, p. 63). To satisfy the rating factor, LAHSA is required to submit documentation to HUD of local PHA commitment to Moving On. LAHSA has typically submitted portions of the LACDA and HACLA Administrative Plans for this purpose.

Therefore, LACDA should make their Moving On policy as explicit as possible for purposes of the CoC application. Given this, Shelter Partnership suggests adding the following underlined language to Section 4.4 of the Administrative Plan:

“Up to 90% of referral applications may be received from an approved Coordinated Access System and/or local service provider that assists homeless families participating in a transitional or permanent supportive housing (PSH) program. For PSH, this includes supporting a local Moving On strategy by giving preference to residents who voluntarily choose to move to affordable housing with less intensive supportive services.”

Also, Shelter Partnership questions why this preference is specific to transitional housing. Housing Choice Vouchers are a limited resource and should be targeted to households with significant barriers to housing stability for whom alternative, less resource-intensive interventions like rapid re-housing would not effectively resolve their homelessness. The local Coordinated Entry System does not currently match to most shelter resources, including crisis housing, bridge housing, and transitional housing. Therefore, the households experiencing homelessness that should be targeted for Housing Choice Vouchers may or may not be housed temporarily in transitional housing, as the current policy would appear to require. Shelter Partnership suggests that broader language be used such as “temporary housing” in lieu of “transitional housing.”

Public Housing Waiting List Preference for Homeless Seniors

Shelter Partnership commends LACDA for establishing a waiting list preference for 25% of turnover units for homeless seniors within two senior properties. This policy will add critical units to serve one of the fastest growing populations of persons experiencing homelessness. According to LAHSA, homelessness among adults 55 years and older has increased 20% since 2017, and is likely to continue increasing at similar rates without big investments in the supply of accessible and affordable senior housing. Shelter Partnership suggests that LACDA consider increasing the turnover percentage and the number of properties subject to this waiting list preference to help meet the County’s growing housing needs of homeless older adults.

Thank you again for your work in ending homelessness in Los Angeles. Please do not hesitate to contact me at (213) 943-4580 or by e-mail at rschwartz@shelterpartnership.org.

Sincerely,



Ruth Schwartz
Executive Director



January 25, 2021

Ruth Schwartz, Executive Director
Shelter Partnership
520 South Grand Avenue, Suite 695
Los Angeles, CA 90071

Dear Ms. Schwartz:

Thank you for taking the time to provide policy recommendations for the Los Angeles County Development Authority's (LACDA) proposed Fiscal Year (FY) 2021 Agency Plan process. The following serves as a response to your two main recommendations for the LACDA's Housing Choice Voucher (HCV) Program related to waiting list admissions local preferences.

Thank you for acknowledging the LACDA's efforts to create a Public Housing waiting list preference for homeless seniors. It is imperative that this program continue to develop to ensure formerly homeless seniors have access to necessary and needed support services to be able to thrive independently in Public Housing. This preference is being proposed for expansion to a third senior property, Francisquito Villas in La Puente, and the LACDA will continue to evaluate and expand this preference to other senior sites.

Under the FY 2019 Administrative Plan, the LACDA inadvertently used the "Moving-on" statement without regard to the U. S. Department of Housing and Urban Development (HUD) meaning of "Moving-on", also sometimes called "Moving-up". HUD coined this term to describe persons that were previously homeless prior to entry into the services for a permanent supportive housing (PSH) program but who no longer need that level of supportive services. The "Moving-on" reference has since been removed and the local preference has been clarified for its intended purpose.

For over a decade, the LACDA has been 100 percent vested in meeting the various needs of the Los Angeles County Homeless Initiatives Plan. The HCV Program local preference as written with the reference to "transitional housing" permits the LACDA to meet the various needs of the LA County Homeless Initiatives Plan. This strategy is provided to Public Housing Agencies (PHAs) by HUD.



lacda.org

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700 West Main Street, Alhambra, CA 91801
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Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Sheila Kuehl, Janice Hahn, Kathryn Barger



Under Public and Indian Housing Notice 2013-15, PHAs are permitted to establish an HCV Program admissions local preference for homeless people referred by a “partnering homeless service organization or consortia of organizations”, such as the Los Angeles Homeless Services Authority’s Coordinated Access System. The partnering agency or consortia of organizations can be an organization that refers people “transitioning out of a shelter, transitional housing program, or rapid re-housing program.”

Nevertheless, the LACDA agrees with Shelter Partnership and fully supports the request to include in the FY 2021 Administrative Plan, an HCV program local admissions preference for program transfers from the Continuum of Care (CoC) program. As such, the following is an excerpt of the draft policy as it is written in the LACDA’s Proposed FY 2021 Administrative Plan.

LACDA rental assistance program transfers approved by the Executive Director from the following programs...

- *Families that are currently served by the LACDA in a Continuum of Care funded, permanent supportive housing project and no longer need supportive services to maintain housing stability. To be eligible for consideration, the current participant must be in good standing in LACDA’s Continuum of Care Permanent Supportive Housing Program projects. The sponsor agency providing services to the participant family must provide written certification that the family does not require permanent supportive housing services to maintain housing stability.*

This above proposed local preference, when adopted by the LACDA’s governing board, should more than adequately address the expressed concern pertaining to the HUD Annual CoC application rating factor. At this time, the LACDA respectfully requests that Shelter Partnership join LACDA and support the need for the adoption of the HCV Program Local Admissions preference for Continuum of Care Program transfers.

In closing, the LACDA would like to once again thank Shelter Partnership for taking the time to submit policy recommendations for its FY 2021 Agency Plan and Administrative Plan. The LACDA has benefited from the collaboration of Los Angeles County agencies, community-based organizations, and legal advocates over the years. The LACDA welcomes any future feedback to ensure that persons experiencing homelessness, and all families of limited means, have access to its rental assistance programs.

Should you have any questions or future recommendations, you may contact Don Swift, Acting Director, Housing Operations Division at Don.Swift@lacda.org or by phone at (626) 586-1643 or Tracie Mann, Director, Housing Assistance Division at Tracie.Mann@lacda.org, or by phone at (626) 586-1670.

Sincerely,



EMILIO SALAS
Executive Director

ES:DS:TM:dt

Writer's Direct Line (213) 640-3835

February 11, 2021

Los Angeles County Development Authority
700 W. Main Street
Alhambra, CA 91801

HADCompliance@lacda.org

Attn: Patrick Komesu, Policy Analyst

Attn: Dayana Zavala, Policy Administrator

VIA EMAIL ONLY

Re: Comments to LACDA's 2021 Draft Agency Plan

To Whom It May Concern:

The Legal Aid Foundation of Los Angeles ("LAFLA") respectfully submits these comments and recommendations on policy changes for the forthcoming 2021 Agency Plan for the Los Angeles County Development Authority ("LACDA"). This letter sets forth specific recommendations for LACDA to consider while developing the 2021 Public Housing Admissions and Continued Occupancy Policy ("ACOP") and the Section 8 Program Administrative Plan ("Admin Plan"), as well as broader policy changes to consider in the context of this public comment process.

1. Repayment Agreements for Public Housing Residents Should Be Less Onerous.

The current ACOP and Admin Plan policies regarding repayment agreements state that LACDA will "usually ask that the family pay an initial lump sum (in an amount determined by the LACDA) with the remaining balance to be paid in equal payments over a period of time not to exceed 12 months for amounts under \$2,400 or 24 months for any amount in excess of \$2,400." The policy further states that "in most cases the LACDA will ask the family to pay a significant initial lump sum." HUD Notice PIH 2017-12 recommends that the total amount that a family must pay each month should be affordable and should not exceed 40% of the family's monthly adjusted income. For many LAFLA clients, an additional \$200 per month is simply out of reach and will cause further financial hardship. Rather than a variable payment based on a fixed timeframe to repay, LACDA should adjust the policy

Other Office Locations:

East Los Angeles Office, 5228 Whittier Blvd., Los Angeles, CA 90022; 213-640-3883

Long Beach Office, 601 Pacific Ave., Long Beach, CA 90802; 562-435-3501

Santa Monica Office, 1640 5th St., Suite 124, Santa Monica, CA 90401; 310-899-6200

Ron Olson Justice Center, 1550 W 8th Street, Los Angeles, CA 90017; 323-801-7989

to be based on a fixed maximum additional dollar amount each month, based on the tenant's income, with a longer period of repayment.

Additionally, tenants should be given the opportunity to provide evidence showing how an initial lump sum will impose an undue hardship to have this requirement waived. This will better accommodate our clients' precarious financial positions. This is also especially relevant during the current COVID-19 pandemic, where financially burdened tenants are more likely to fall behind on rent and need to enter into repayment agreements.

2. LACDA Should Give Tenants 30 Days' Notice of Formal & Informal Hearings

The current ACOP provides specific guidelines to participants regarding how long they have to request an informal conference or formal hearing. The ACOP, however, is silent as to how much advance notice LACDA must give of the actual formal hearing once requested. Instead, the ACOP states that if a complainant complies with the grievance procedures, "a hearing shall be scheduled promptly by the LACDA." We recommend that tenants be given 30 days' notice of their scheduled formal hearing. This will give tenants enough time to evaluate their options, potentially seek legal assistance or representation, and ensure that they are afforded a fair hearing as required under the federal regulations.

Similarly, the Admin Plan is silent as to how much notice LACDA will give a tenant of their actual informal hearing date once request. Section 16.4.4 provides that a participant will be notified of the hearing date within 15 days of LACDA's receipt of the request, but there is no guidance regarding when the hearing date will be scheduled. We similarly request that tenants be given 30 days' notice.

3. LACDA Should Remove the Three-Day Notice Reasonable Accommodation Requirement.

The current ACOP states that LACDA will provide reasonable accommodations for persons with disabilities to participate in informal conferences and formal hearings. However, in order to request a reasonable accommodation with regards to an informal conference or formal hearing, LACDA requires to "be notified within three days of the scheduled time if special accommodations are required." This three-day advance notice requirement is not in alignment with federal law or HUD regulations. All persons with disabilities have a right to request a reasonable accommodation at *any time*. This is further supported elsewhere in the ACOP, as Chapter 1 Paragraph D states a request for a reasonable accommodation "may be made at **ANY** time." The three-day advance notice requirement should be removed the ACOP, both for internal consistency and to comply with federal law.

4. LACDA's Policies and Procedures in Response to the COVID-19 Pandemic and Other Future Catastrophes Can Be Improved.

LAFLA greatly appreciates LACDA's swift and tenant-focused response to the ongoing COVID-19 pandemic. We understand how difficult it was to implement a remote work environment while simultaneously continuing to meet the needs of program participants. LACDA's policies,

including being liberal with extensions and discretionary deadlines, has made a meaningful difference in the life of our clients. We also appreciate and support the proposed changes regarding verification of legal identity and Social Security Numbers during an emergency. However, LACDA could further improve its emergency protocols to respond to the current crisis and prepare for future disasters. In response to the COVID-19 pandemic, HUD has issued extensive guidance to public housing authorities like LACDA. While some of HUD's guidance constitutes waivers of law or policy, many of HUD's recommendations did not require special permission or waivers to implement. We recommend that LACDA update its ACOP and Admin Plan to reflect these emergency policies, so they can be implemented immediately in the event of another disaster.

Specifically, LACDA should update its ACOP and Admin Plan to allow for retroactive interim recertification. During an emergency period, when resident and participant circumstances are fluctuating daily, LACDA should provide maximum flexibility to match a tenant's monthly payments with their actual ability to pay in that same month. The ACOP and Admin Plan should make the effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income, as opposed to the first of the month following when the family reported the change in income or when the interim reexamination was conducted. Many LAFLA clients are not able to collect required documentation or provide it to LACDA as quickly as they would like, given business closures and social distancing requirements. We anticipate that similar challenges would be present in future catastrophies as well. This change is also recommended by HUD in their guidance issued to public housing authorities in response to the COVID-19 pandemic.

We respectfully request that LACDA consider the above comments and recommendations in the process of preparing and finalizing the 2021 Agency Plan.

Sincerely,



Natalie Diaz
Staff Attorney



Jonathan Jager
Staff Attorney



February 24, 2021

VIA E-MAIL

Natalie Diaz, Staff Attorney
Jonathan Jager, Staff Attorney
Legal Aid Foundation of Los Angeles
1550 W. 8th Street
Los Angeles, CA 90017

RE: RESPONSE TO PROPOSED FY 2021-2022 ANNUAL PLAN – PUBLIC COMMENT

Thank you for taking the time to review and offer recommendations for the Los Angeles County Development Authority's (LACDA) proposed Fiscal Year (FY) 2021-2022 Public Housing Admissions and Continued Occupancy Policy (ACOP) and Housing Choice Voucher (HCV) Program Administrative Plan changes.

The LACDA has reviewed the Legal Aid Foundation of Los Angeles' (LAFLA) recommendations and kindly provides the following responses:

1. Repayment Agreements for Public Housing Residents Should Be Less Onerous

The LACDA would like to thank LAFLA for taking the time to review its repayment agreement policies and practices for both the ACOP and the Administrative Plan.

Under the Public Housing Program, ACOP Chapter 16-10, the LACDA recognizes the financial implications that residents may face when entering into a repayment agreement. The Public Housing policy was revised last year to provide flexibility in determining the amount of lump sum payments to account for hardship considerations. Previously, a participant that owed money to the LACDA and entered into a repayment agreement was required to pay an initial 50% of the debt within 14 calendar days.

Clarifying language was added in response to your comment:

“The remaining balance will usually be paid in equal payments over a period of time not to exceed 12 months for amounts under \$2,400 or 24 months for any amount in excess of \$2,400. The terms of the agreement may be renegotiated if there is a change in financial circumstances in accordance or a hardship has occurred. (16-10).”



lacda.org

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700 West Main Street, Alhambra, CA 91801
Tel: (626) 262-4511 TDD: (626) 943-3898



Executive Director: Emilio Salas

Commissioners: Hilda L. Solis, Holly J. Mitchell, Sheila Kuehl, Janice Hahn, Kathryn Barger

Repayment Agreements generally do not exceed 40% of the participant's monthly adjusted income per the recommendation in PIH 2017-12.

For the HCV Program, the LACDA finds that although the U.S. Department of Housing and Urban Development (HUD) recommends "that the total amount that a family must pay each month should not exceed 40% of the family's monthly adjusted income", this HUD recommendation, although well intentioned, is not realistic given the high cost of the Los Angeles County rental market. At initial occupancy, the LACDA ensures that the family pays between 30 to 40 percent of their monthly adjusted income towards rent. However, as a result of subsequent rent increases and fluctuations in family income, the LACDA finds that many families are at or exceed the 40 percent threshold.

However, the LACDA agrees with LAFLA and shares similar concerns about providing each family an "affordable" repayment agreement. Under the LACDA's repayment agreement policies (section 17.2.3), the LACDA aims to establish an achievable repayment agreement for each family's individual financial circumstances by providing fixed policies with numerous flexibilities to both the family and LACDA.

The Administrative Plan grants the family the option to repay retroactive rent balances by either selecting, (1) a lump sum amount, or (2) a monthly payment, or (3) a combination of a lump sum amount and monthly payment. Although it is fact that the LACDA "usually ask that the family pay an initial lump sum (in an amount determined by the LACDA) with the remaining balance to be paid in equal payments over a period of time not to exceed 12 months for amounts under \$2,400 or 24 months for any amount in excess of \$2,400.", the Administrative Plan goes on to provide flexibility for the LACDA to consider, "in determining the initial lump sum... the total amount owed, the ability of the person to make the remaining payments and the percentage of the total sum owed". Although a "significant initial lump sum" collection is ideal, the LACDA understands that each family may not have the financial ability to make such a payment. For this reason, the Administrative Plan states that the "terms will be negotiated with the tenant".

The Administrative Plan further provides that once under a repayment agreement, "monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of hardship, and the approval of a LACDA manager." It should be noted that the Administrative plan does not have a limit on the number of times the family can express a hardship and thereby request to have the monthly payment revisited and adjusted.

Implementing fixed repayment agreement policies that encapsulate each individual family's ever-changing financial circumstances can be challenging. For this reason, the LACDA uses a combination of its repayment agreement policies and "term negotiations with each tenant" to ensure that the family is not rent burdened and can realistically meet their repayment obligations. In addition, the LACDA has taken proactive measures in the advancement of income monitoring systems. Also, the LACDA utilizes HUD provided electronic safeguards for income verification

requirements that have greatly reduced the family's potential for the amassing of large amount of monies owed to the LACDA.

The LACDA also recognizes the further financial burden that may be placed on participants by the COVID-19 pandemic. In response to this unprecedented crisis, the LACDA has adopted several HUD waivers and has temporarily amended policies and procedures to alleviate the financial burden on its program participants. The LACDA will continuously, and in real time reassess, monitor, and amend its policies to best accommodate federal, state, and local laws, and ultimately the vulnerable community it serves.

2. LACDA Should Give Tenants 30 Days' Notice of Formal & Informal Hearings

The LACDA appreciates LAFLA for taking the time to review its informal/formal hearing procedural policies.

Under the Public Housing ACOP Chapter 14, the hearing procedure policy is meant to align with 24 CFR 966.56(a) and allow participants to schedule their informal/formal hearings at an agreeable time established with the LACDA. Although the LACDA responds promptly when scheduling a hearing, it always considers the scope of the hearing and allows adequate time for participants to prepare or seek proper representation.

Under the HCV Program, the Administrative Plan policies are in line with 24 CFR §982.555 and the Administrative Plan (section 14.4.4 Hearing Process) is indeed silent on when the informal hearing date will be scheduled from the tenant's informal hearing request. However, the section does require the LACDA to notify the family of the date, time, and location of the hearing within 15-calendar days of the family's hearing request. The section further provides that the hearing may be postponed once by the family when it is requested before the scheduled date. It should be noted that the section also provides for an additional postponement for good cause.

The ACOP and Administrative plan governs the housing assistance of families that are low-income, seniors, individuals with disabilities, and individuals with numerous language and literacy challenges. Within the LACDA's current 10-day and 15-day response policy, respectively, and before establishing a hearing date, the LACDA ensures it addresses each family's individual circumstances on the date of the hearing, such as language barriers and reasonable accommodations. Also, in between the family's request date and the hearing date, the family reserves the right to review the LACDA file that will be presented at the informal hearing. In circumstances where the family requests the file be translated to a "preferred language", the hearing date would have to account for the translation service and the family's review period. Families seeking an expedited hearing, for example, as a result of an income determination, the LACDA would expedite the request to ensure that a rent payment is indeed accurate and affordable.

It should be noted that the ACOP's and Administrative Plan's absence of a fixed number of days for a hearing creates no hardship on the family. The LACDA continues to provide subsidy for the family even when the hearing date is postponed and/or extended.

Not establishing a fixed number of days for the hearing in the ACOP and the Administrative plan is to allow flexibility for each individual family and their unique circumstances.

3. LACDA Should Remove the Three-Day Notice of Reasonable Accommodation Requirement.

The LACDA thanks LAFLA for providing clarification to the reasonable accommodation process. The sections mentioned have been removed to be in line with HUD requirements found through regulation, the Public Housing Occupancy Guidebook, and other HUD provided materials.

4. LACDA's Policies and Procedures in Response to the COVID-19 Pandemic and Other Future Catastrophes Can Be Improved.

The LACDA thanks LAFLA for their suggestion about emergency responsiveness and amending policies and procedures so it may adequately serve participants in times of crisis like the COVID-19 pandemic. The LACDA has taken significant measures to adjust its policies/procedures in both the ACOP and Administrative plan to alleviate the hardships participants may encounter during the COVID-19 pandemic. Some of these policy clarifications and amendments will also serve to mitigate the immediate hardships of future crises if or when they occur.

As an immediate response to the COVID-19 pandemic, the HCV Programs Division issued its program operation various directives - one of those directives was to allow for retroactive interim recertifications. The Public Housing Program proactively reached out to its participants, provided essential materials, and opened communication channels to address immediate hardships that its families were facing. Furthermore, the Public Housing Program placed a priority on the processing of interims, especially in regards to loss of wages.

Part of the immediate response to the hardships participants were facing was to modify or eliminate the barriers that may prevent the processing of interim verifications in accordance with the families' immediate needs. In tandem with its immediate response, shortly thereafter, under HUD guidance, the LACDA permitted its families to use self-certification as the highest form of verification when the family reported income losses or decrease(s) and could not provide the computer generated third-party income verification documents.

The retroactive interim recertification directive was in place from April 3, 2020 until May 31, 2020. Unfortunately, under HUD Los Angeles directive, the LACDA was required to revisit its interim recertification policy to ensure that the Housing Choice Voucher Program's housing assistance funding was sufficient to sustain the present and future rental payments for all rental assisted families. It should be noted that for the past several years, the LACDA's rental assistance programs have been fully committed to and have been on the forefront of the Los Angeles County homeless initiatives efforts. For this reason, the LACDA's rental assistance funding is limited and carefully assessed.

Nevertheless, given HUD provided COVID-19 statutory and regulatory waivers and alternatives, the LACDA can confirm that HCV Program and Public Housing Program participants' immediate COVID-19 situations were and continue to be addressed timely and have not interfered with overall program obligations.

In closing, the LACDA would like to again thank LAFLA for its contributions towards the development of its FY 2021-2022 Annual Plan and ultimately its families. The LACDA has benefited greatly from the collaboration of Los Angeles County agencies, Community Based Organizations and Legal Advocates over the years. The LACDA welcomes any future feedback to ensure that persons experiencing homelessness and all assisted families, have complete access to its rental assistance programs.

Should you have any questions or future recommendations, you may contact Twima Earley, Director, Housing Operations Division at Twima.Earley@lacda.org or by phone at (626) 586-1900 or Tracie Mann, Director, Housing Assistance Division at Tracie.Mann@lacda.org, or by phone at (626) 586-1670.

Sincerely,



EMILIO SALAS
Executive Director

ES:TE:TM

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan
(All PHAs)**

U. S Department of Housing and Urban Development

Office of Public and Indian Housing

OMB No. 2577-0226

Expires 2/29/2016

**Certification by State or Local Official of PHA Plans
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Emilio Salas, the Executive Director
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Los Angeles County Development Authority
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
Impediments (AI) to Fair Housing Choice of the

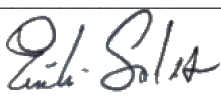
Los Angeles Urban County
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State Consolidated Plan and the AI.

The PHA plan is consistent with both the Consolidated Plan and the AI since all plans identify and seek to address and assist the Urban County's Homeless population. Further, the plans identify and seek to increase the availability of affordable housing for families with limited means, and expand home ownership opportunities for families with limited means, while addressing impediments to affirmatively furthering fair housing.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
EMILIO SALAS	Executive Director
Signature 	Date
	February 25, 2021

**Certifications of Compliance with
PHA Plans and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including
Required Civil Rights Certifications**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning 2021-2022, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Los Angeles County Development Authority
 PHA Name

CA002
 PHA Number/HA Code

Annual PHA Plan for Fiscal Year 2021-2022

5-Year PHA Plan for Fiscal Years 20__ - 20__

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official Hilda L. Solis	Title Chair
Signature <i>Hilda L. Solis</i>	Date 03/23/2021

APPROVED AS TO FORM:
 RODRIGO A. CASTRO-SILVA
 County Counsel
 By *EP*
 Deputy County Counsel

