

CHAPTER 9: SPECIAL PROGRAMS

9.1. MODERATE REHABILITATION SINGLE ROOM OCCUPANCY (SRO): THE JEFFERSON

The Jefferson is an HCV Moderate Rehabilitation Single Room Occupancy (SRO) program for homeless individuals recovering from substance abuse and receiving case management services from the Community Ministries of Rockville, Inc. Community Ministries owns the building, which was built in the 1800's and converted to five units for residents.

Residents of The Jefferson receives services to strengthen their ability to transition from homelessness to stable residency. The program provides opportunities for men to practice personal care, community chores, meal planning and cooking, and other independent living skills. Other program goals include improving client employment and/or employability through school and paid or volunteer work experience.

A separate waiting list for The Jefferson will be maintained by the property manager, Community Ministries. RHE will keep a copy of the site-based waiting list and selections made from the list.

Jefferson residents must execute and abide by a service agreement with Community Ministries. Non-compliance will result in termination of residency at The Jefferson.

All policies and regulations previously described in this Plan apply except as indicated below.

With the exception of the application and waiting list procedures, moves and portability, policies described in the Plan are applicable to occupancy at The Jefferson.

Like landlords in the HCV program, Community Ministries may submit an annual rent increase request to RHE. Rent increases for moderate rehabilitation units are determined by a HUD formula and must be determined reasonable in comparison to rents for similar unassisted properties in the neighborhood. The rent increase formula applies HUD's annual adjustment factor to the base rent, then adds an amount for debt service specified in the HAP contract for the development

9.2. HOUSING CHOICE VOUCHERS FOR MAINSTREAM DISABLED

RHE administers 50 vouchers through HUD's Mainstream Disabled program. Mainstream vouchers (also formerly known as Mainstream 5-Year Vouchers or Section 811 Vouchers) are tenant-based vouchers that serve a special population of households. All mainstream vouchers will now serve households that include a non-elderly person(s) with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old at the effective date of the initial Housing Assistance Payment (HAP) contract, (i.e., the effective date of the New Admission [action code =1] on the form HUD-50058 (or form HUD-50058 MTW).

Mainstream vouchers are bound by the policies of this Plan, except for the order of selection which is described in the following paragraph.

9.2.a. Applications for Mainstream Vouchers

Applications for mainstream vouchers are placed on the housing voucher waiting list based on preference and date and time of application. When a mainstream voucher becomes available, RHE will select a voucher family from the waiting list in which any member of the household is disabled and is at least 18 years old and not yet 62 years old at the effective date of the initial Housing Assistance Payment contract (HAP contract) and assign the mainstream voucher to that family.

An applicant eligible for a mainstream voucher may be selected for routine housing choice vouchers if the applicant is at the top of the waiting list and the next available voucher is a routine voucher.

If the housing voucher waiting list has an inadequate number of applicants eligible for the mainstream program, RHE may open the waiting list only for mainstream applications.

9.2.b. Eligibility: Definition of Person with Disabilities

A person with disabilities is a person who:

- (1) Has a disability as defined in Section 223 of the Social Security Act:
 - (a) Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.
 - (b) In the case of an individual who attained the age of 55 and is blind and unable by reason of 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.
- (2) Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
 - (a) Is expected to be of long continued and indefinite duration.
 - (b) Substantially impedes his or her ability to live independently.
 - (c) Is of such a nature that such ability could be improved by more suitable housing conditions.

- (3) Has a developmental disability defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act as a severe chronic disability that:
- (a) Is attributable to a mental or physical impairment or combination of mental and physical impairments.
 - (b) Is manifested before the person attains age 22.
 - (c) Is likely to continue indefinitely.
 - (d) Results in substantial functional limitation in three or more of the following areas of major life activity: (a) self-care, (b) receptive and responsive language, (c) learning, (d) mobility, (e) self-direction, (f) capacity for independent living, and (g) economic self-sufficiency.
 - (e) Reflects the person's need for a combination and sequence of special interdisciplinary generic care treatment or other services that are of lifelong or extended duration and are individually planned and coordinated.
- (4) The definition of a person with disabilities does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
- (5) No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

9.3. THE FAMILY SELF-SUFFICIENCY PROGRAM (FSS) 24 CFR 984

Family Self-Sufficiency (FSS) promotes the development of local strategies to coordinate use of rental vouchers with public and private resources to help low-income residents become self-sufficient through education, job training, counseling, case management, and other supportive services.

Families wishing to participate in the FSS program apply to the Voucher FSS Coordinator and may be enrolled immediately or placed on an FSS waiting list. Before a household is enrolled, the FSS Coordinator conducts a needs assessment and works with the family to agree on appropriate goals for the family.

FSS families sign a five-year contract with RHE, through which each commits to take specific steps to move the family toward financial independence. As a FSS program participant achieves his or her established goals, RHE makes deposits in an escrow account which the family can claim upon successful completion of the FSS contract.

Successful completion of the contract requires finishing the interim and final goals agreed to in the contract. In addition, the FSS household must not receive any welfare assistance for the 12-

month period prior to contract completion. The escrow account is forfeited if the family fails to fulfill its requirements within the five-year contract term or any extension of the term.

Extensions of the FSS contract are permitted only when situations beyond a family's control prevent it from completing its contract within five years. One extension of two years or less is permitted.

RHE' FSS policies are found in its FSS Action Plan.

RHE MTW Activity 19 – Policies for Addressing Increases in Family Income

Fiscal Year Introduced: 2024

Fiscal Year Approved by HUD: 2024

HE is altering its Family Self-Sufficiency (FSS) Program by changing the traditional FSS escrow saving model. Instead of escrowing monies from rent increases based on income increases, FSS participants will now earn escrow credits based on the completion of predetermined goals. RHE will adopt a modified escrow savings model in which FSS participants accrue escrow incentives by completing specific activities and goals that align with both participant goals and the FSS program objectives. The escrow savings model will enable participants to earn escrow credits based on the attainment of various goals of the program including but not limited to employment, education, financial literacy, homeownership, and/or transition out of subsidized housing. Quarterly, as participants achieve their goals, FSS participants will earn a quarterly escrow incentive to be placed into their escrow account. For participants that are not meeting their goals for the FSS program, they will be provided with resources and supportive services that will assist them in their goal completions. FSS participants must work towards either homeownership or program graduation in the form of unsubsidized rent. FSS participants must meet the mandatory goal of being FREE from TANF for the last 12 months of the FSS contract. FSS participants also must maintain employment and achieve financial literacy goals. This activity applies to newly admitted and currently assisted workable families.

Participants have the opportunity to accrue \$1,000 annually for up to five years, for a maximum of \$5,000, based on goals completed as follows:

Homeownership

- A. Escrow credits are disbursed upon the successful completion of the program to purchase a home for down payment assistance/closing costs.
- B. Escrow credits are disbursed upon the successful completion of the program to purchase a home without subsidy for down payment assistance/closing costs.
 - a. Earn an escrow credit upon the completion of the first-time homeownership class.
 - b. Earn an escrow credit upon the completion of working with the Homeownership Coordinator all 5 years or until the COP is completed (whichever comes first).
- C. Engagement in homeownership preparation activities (workshops, seminars, classes, etc.).

Unsubsidized Rent

Escrow credits are disbursed upon the successful completion of the program to assist with the transition off of subsidy to a private market rate rental with the approval of a lease in the head of household's name.

Education

- A. Earn an escrow credit upon the completion of a GED program.
- B. Earn an escrow credit upon the completion of an associate degree.
- C. Earn an escrow credit upon the completion of a bachelor's degree.
- D. Earn an escrow credit upon the completion of a master's degree.
- E. Earn an escrow credit upon the completion of a Training/Certificate Program during the 5-year COP.

Employment

- A. Earn an escrow credit upon the completion of a new full-time employment job training (non-working households).
- B. Earn an escrow credit upon the completion of obtaining full-time employment in their chosen career field within the 5-year COP.
- C. Earn an escrow credit upon the completion of receiving a promotion, an increase in pay, or going from part-time to full-time.
- D. Earn an escrow credit for retaining employment.

Financial Literacy

- A. Earn an escrow credit upon the completion of financial coaching/classes.
- B. Earn an escrow credit upon the completion of improving their credit score (680 by the completion of COP for homeownership).
- C. Earn an escrow credit upon the completion of improving credit score of 640 for all others.
- D. Earn an escrow credit upon the completion of opening and maintaining a checking and savings account for the duration of the COP.
- E. Earn an escrow credit upon completion of increasing personal savings by \$500.

Engagement

- A. Earn an escrow credit upon the completion of face-to-face FSS progress meetings.
- B. Earn an escrow credit for participating in FSS activities (workshops, seminars, classes, etc.).

9.4 HOUSING CHOICE VOUCHER HOMEOWNERSHIP OPTION

RHE' homeownership option is designed to promote and support homeownership by a first-time homeowner, a family that meets the definition of this Plan. It allows one or more members of the family to purchase a home. HCV payments supplement the family's own income to facilitate the transition from rental to homeownership. The initial availability of these assistance payments helps the family pay the costs of homeownership and may provide additional assurance for a lender so that the family can finance the purchase of the home.

9.4.a. Family Participation Requirements
24CFR 982.626

In order to encourage a successful transition from rental housing to homeownership, this program shall be open only to those who are being assisted by the RHE HCV program. A port-in client must be absorbed by RHE to qualify for HO Participation. During this period, all program requirements and family obligations will have been complied with and the family is a tenant in good standing for at least one year. Additionally, a family must meet the requirements for continued participation in the RHE HCV program.

There is no limit, subject to HUD regulations, on the number of RHE vouchers to be utilized for homeownership at any one time.

- (1) The family is qualified to participate as set forth in Chapter 3 and Chapter 9, paragraph 9.4.b. of this Plan.

Families in the Public Housing (PH) program must become an HCV participant prior to enrolling into the HCV homeownership program. If the family is a participant in the PH program and is "Purchase Ready," the family may be eligible to receive preference points on the waitlist for the HCV program to transition from PH to HCV via homeownership.

- (2) The unit to be purchased is eligible as set forth in Chapter 9, paragraph 9.4.c. of this Plan.
- (3) The family has satisfactorily completed the required pre-assistance homeownership counseling.

9.4.b. Family Eligibility Requirements
24CFR 982.627

Any HCV family may participate in the HCV homeownership program that meets the eligibility requirements to purchase rather than rent a home, and is subject to the following:

- (1) The family has been admitted to the HCV program and desires to participate in the homeownership program.
- (2) At the commencement of homeownership assistance, the family must be one of the following:
 - (a) A first-time homeowner.
 - (b) A family, of which a family member is a person with disabilities and the use of the homeownership option is needed as a reasonable accommodation so that the program is readily accessible to and usable by such a person. The family must demonstrate the homeownership option is the only housing

option available to meet the reasonable accommodation.

- (3) At the commencement of homeownership assistance for all families including elderly and disabled families, the family must demonstrate that its total annual income of at least \$40,000 and or be able to obtain a mortgage without voucher subsidy of at least \$130,000.
- (4) The family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance:
 - (a) Is currently employed on a full-time basis (the term "full-time employment" means not less than an average of 30 hours per week). And meeting the above noted income and/or mortgage qualification requirements.
 - (b) If self-employed, earns a net income (income after business expenses have been deducted) that meets the above noted income and/or mortgage qualification requirements.
 - (c) Has been consistently employed during the year before the commencement of homeownership assistance for the family.

“Consistently employed” is defined as steady employment that may or may not include an interruption in employment lasting up to two months.

The employment requirement does not apply to an elderly and/or a disabled family. However, any non-wage income received must meet the above noted income and or mortgage qualification standards.

- (5) RHE shall not commence homeownership assistance for a family if any family members have previously received assistance under the homeownership program or has defaulted on a mortgage securing debt incurred to purchase a home.
- (6) RHE requires a family to have no indebtedness to RHE or any other PHA, nor be in a current repayment agreement with RHE or another PHA.
- (7) RHE may deny approval of a seller of a home to a family receiving homeownership assistance for any reason provided for the disapproval of an owner under the HCV rental program. These reasons include, but are not limited to:
 - (a) Violations of the HAP contract.
 - (b) Committing fraud, bribery, or any other corrupt or criminal acts in connection with any federal housing program.
 - (c) Engaging in drug-related or violent criminal activity.

- (d) Non-compliance with HUD's housing quality standards.
- (e) Failing to meet state or local housing codes.
- (f) Failure to pay state or local real estate taxes, fines, or assessments.

9.4.c. Eligible Units

24CFR 982.628

- (1) Any unit that is eligible under the HCV program is eligible for this program except the restriction that an independent entity must perform administrative duties for a unit owned by RHE. These duties must include a review of the contract of sale, perform a Housing Quality Standards (HQS) inspection, review the independent inspection report, and determine the reasonableness of the sales price and any PHA-provided financing. (September 17, 2003 Final Rule)

Ineligible housing includes a unit occupied by its owner or by a person with any interest in the dwelling unit. The types of eligible units are:

- (a) Single family dwellings.
 - (b) Condominiums.
 - (c) Cooperatives.
- (2) The unit must be either already existing or under construction at the time RHE determines that the family is eligible for homeownership assistance, prior to entering into a contract of sale.
 - (3) The unit must satisfy a RHE HQS inspection and have been inspected by an independent inspector designated and paid for by the family.
 - (4) The seller cannot be someone who has been debarred, suspended, or is subject to a limited denial of participation by HUD.

9.4.d. Searching for a New Home

24CFR 982.629

Because the financial health of RHE' HCV program depends upon having units either under lease or being purchased, it is necessary for RHE to limit the amount of time a family can take between the time an HCV is issued to the family and the time a home is identified that the family wishes to purchase. Normally, families will have up to 120 days to locate an appropriate property and notify RHE. If extraordinary difficulties are encountered, the family can request one thirty-day extension that may be granted at the sole discretion of RHE. If an extension is requested and granted, the family will update RHE in writing every two weeks to update RHE on the progress of their search.

Once a suitable property has been located and an agreement to purchase contract is entered into, RHE will determine the maximum time in which the closing must occur, and the family takes occupancy of the property. This time frame will vary depending on market conditions and construction completion schedules if the home is under construction. Failure to complete the home purchase process does not disqualify the family from continued participation in the HCV program.

If the family is unable to locate a suitable home to purchase, they can request that the HCV be converted into an HCV rental assistance voucher. This conversion request must be made before the voucher expires. Approval of the request will be at the sole discretion of RHE, with the decision being based on the effort exerted by the family and the condition of the marketplace.

Additional extension time will be granted to a disabled family as a reasonable accommodation if justified by the family's actions and/or marketplace conditions.

9.4.e. Homeownership Counseling
24CFR 982.630

Before commencement of homeownership assistance for a family, the family must attend and complete a pre-purchase homeownership and housing counseling program. The family must receive a written certification of completion and be deemed “mortgage ready.”

Among the topics, at a minimum, the counseling program will cover:

- (1) Home maintenance (including the care of the grounds).
- (2) Budgeting and money management.
- (3) Credit counseling.
- (4) Negotiate the purchase price of a home.
- (5) Financing.
- (6) Locating a home.
- (7) De-concentration issues.
- (8) Fair Housing and predatory lending.
- (9) Truth in Lending Laws.

Upon successful completion of the homeownership counseling program and income eligibility recertification, the family will be issued a homeownership voucher and referred to a participating financial institution to be pre-qualified for an affordable home. RHE will provide the financial institution with the family's estimated homebuyer subsidy for inclusion in the qualification

determination.

9.4.f. Home Inspections

24CFR 982.631

RHE will not commence homeownership assistance for a family until RHE has inspected the unit and has determined that the unit passes HQS. The unit must also be inspected by an independent professional inspector selected and paid for by the family. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and roofing, plumbing, electrical, and heating systems. The unit must pass a termite or wood destroying organism report, radon testing, lead-based paint testing for homes built before January 1st 1973, and any other requirements as determined by the State of Maryland. The independent inspector must be qualified to report on property conditions, including major building systems and components, RHE may not require a family to use an independent inspector selected by RHE. The independent inspector may not be a RHE employee or contractor or other person under the control of RHE. The independent inspector shall be certified by the American Society of Home Inspectors (ASHI) or be a regular member of the National Association of Home Inspectors (NAHI), the State Association of Building Inspectors, or be accepted by local lending institutions. It shall be the responsibility of the family to verify that the inspector meets this certification qualification.

The independent inspector must provide a copy of the inspection report both to the family and to RHE. RHE will not commence homeownership assistance for the family until it has reviewed the inspection report of the independent inspector. Even if the unit otherwise complies with HQS, RHE shall have the discretion to disapprove the unit for assistance under the homeownership option because of information in the inspection report.

9.4.g. Contract of Sale

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

- (1) Specify the price and other terms of the sale by the seller to the purchaser.
- (2) Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser, in addition to the HQS inspection by RHE.
- (3) Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser.
- (4) Provide that the purchaser is not obligated to pay for any necessary repairs.
- (5) Provide that the purchaser is not obligated to purchase if the financing is not approved by RHE.

- (6) Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation.

9.4.h. Financing the Purchase of the Home

24CFR 982.632

RHE has established requirements for financing the purchase of a home under the HCV homeownership program. This may include the qualification of lenders, terms of financing, debt restrictions secured by the home, and debt affordability. RHE may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms. Lenders must be willing to accept direct payment from RHE.

- (1) A purchasing family must invest at least three percent of the purchase price of the home they are buying in the property. This can take the form of a down payment, closing costs, or a combination of the two. Of this sum, at least one percent of the purchase price must come from the family's personal resources.
- (2) The family must qualify for the mortgage loan under a lender's normal lending criteria taking into account the fact that this is by definition a low- income family.
- (3) If a home is purchased using FHA insurance, it is subject to FHA mortgage insurance requirements.
- (4) RHE will approve a family's request to utilize its Family Self Sufficiency escrow account for down payment and/or closing cost when purchasing a unit under the HCV homeownership program, per FSS program policies.
- (5) As a check against predatory lending, RHE will review the financing and refinancing of each purchase transaction including estimated closing costs. RHE will not approve loans with features such as: balloon payments, adjustable-rate mortgages (ARMs), and unusually high interest rates. RHE will not approve any loans that contain predatory practices. RHE will not approve "seller financing" or "owner held" mortgages. While RHE will provide a determination on the affordability of a loan to a program participant, RHE will rely on the lenders or the secondary market to make a final determination.
- (6) RHE will not approve financing where the family's tenant share would exceed 50% of the family's monthly adjusted income. Any exception to this provision must be approved by the Homeownership Coordinator.
- (7) All mortgage loans must close within the period of time established by RHE at the time the purchaser and seller enter into their sale contract.

9.4.i. Requirements of Continuing Assistance

24CFR 982.633

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

The family must comply with the following obligations:

- (1)** The family must attend and complete ongoing post-purchase homeownership and housing counseling before the end of the first, fifth, tenth, thirteenth, and fourteenth years of assistance in order for homeownership assistance to continue.
- (2)** Family must comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).
- (3)** 24CFR 982.551. As long as the family is receiving homeownership assistance, use and occupancy of the home is subject to the following requirements:
 - (a)** The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
 - (b)** The composition of the assisted family residing in the unit must be approved by RHE. The family must promptly inform RHE of the birth, adoption, or court-ordered custody of a child. The family must request RHE approval to add any other family member as an occupant of the unit.
 - (c)** The family must promptly notify RHE if any family member no longer resides in the unit.
 - (d)** If RHE has given approval, a foster child or a live-in aide may reside in the unit.
 - (e)** 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 for residence by members of the family.
 - (f)** The family must not rent, lease, sublease or sublet the unit.
 - (g)** The family must not assign the mortgage or transfer the unit.
 - (h)** The family must supply any information or certification requested by the agency to verify that the family is living in the unit or relating to the family's absence from the unit, including any housing authority requested information or certification on the purposes of family absences. The family must cooperate with RHE for these purposes. The family must promptly notify RHE of their absences from the unit.

- (4) The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt.
- (5) Upon the death of a family member who holds, in whole or in part, title to the home, homeownership assistance may continue pending settlement of the decedent's estate, notwithstanding transfer of title by operation of law to the decedent's executor or legal representative, so long as the home is solely occupied by remaining family members in accordance with Chapter 9, paragraph 9.4.i. above. In the case of a divorce or family separation, the assistance shall follow what a court decrees.
- (6) The family shall supply RHE with any required information requested by RHE. In particular this shall include information relating to the following:

 - (a) Citizenship or related immigration matters.
 - (b) Family income, assets, and composition.
 - (c) Social security numbers.
 - (d) Any mortgage or other debt placed on the property including refinancing of such debt.
 - (f) Any sale or other transfer of any interest in the home.
 - (e) The family's homeownership expenses.
- (7) The family must notify RHE before the family moves out of the home.
- (8) The family must notify RHE if the family defaults on mortgage securing any debt incurred to purchase the home.
- (9) During the time the family receives homeownership assistance under this program, no family member may have any ownership interest in any other residential property.
- (10) Before commencement of homeownership assistance, the family must execute a statement of family obligations in the form prescribed by HUD. In the statement, the family agrees to comply with all family obligations under the homeownership option.
- (11) The family must secure the written permission of RHE before it refinances any debt secured by the home or places any additional secured debt on the property.
- (12) The family must assure RHE that all real estate taxes and other local applicable fees including, but not limited to HOA fees and other utility related expenses

were paid on a timely basis. If they are not paid, assistance shall be terminated.

- (13) RHE retains the right to conduct an HQS inspection, at any time, if there is a complaint on the condition of a home that is being assisted or if RHE observes a home that is not in compliance with HQS standards. RHE will require the family to participate in additional post-purchase counseling and require the family to bring the home up to HQS standards within 30 days. Failure of the family to comply may result in termination of assistance.

In order for non-elderly and non-disabled family to continue being assisted, they must continue to fulfill the employment requirement of an average of a minimum of 30 hours per week or meet the minimum income/mortgage qualification standards. In cases of unemployment, an adult homeowner will re-secure employment within 90 days, unless a documented hardship exists. In the event of a documented hardship (i.e. layoff, company closure, death of a working adult, federal disaster, etc.), the head of household must provide, on a monthly basis, to the Homeownership Coordinator verification that he or she is attempting to pursue employment. The homeowner must show a plan to return to work in order to remain eligible for the program. After six months on unemployment, the homeowner may be terminated from the HCV homeownership program. The employment mandate will be applied to all current HO participants retroactively.

9.4.j. Maximum Term of Homeownership Assistance
24CFR 982.634

Except in the case of a family that qualifies as an elderly or disabled family, family members shall not receive homeownership assistance for more than fifteen years if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer or ten years, in all other cases.

The maximum term described in the preceding paragraph applies to any member of the family who has an ownership interest in the unit during the time the homeownership payments are made or is the spouse of any member of the household who has an ownership interest during the time the homeownership payments are made.

As noted in the first paragraph of this section, the maximum homeownership assistance term does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family. If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least six months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance in accordance with this program.)

If the family has received such assistance for different homes or from different housing authorities, the total of such assistance terms is subject to the maximum term described in the first

paragraph of this section.

9.4.k. Amount and Distribution of Monthly Homeownership Assistance

24CFR 982.635

9.4.k.i While the family is residing in the home, RHE shall pay a monthly homeownership assistance payment on behalf of the family that is equal to the lower of:

- (1) The payment standard minus the total tenant payment.
- (2) The family's monthly homeownership expenses minus the total tenant payment.

9.4.k.ii. The Payment Standard for a Family. The payment standard for a family is the lower of:

- (1) The payment standard for the family unit size.
- (2) The payment standard for the size of the home.

If the home is located in an exception payment standard area, RHE will use the appropriate payment standard for the exception payment standard area.

The payment standard for a family is the greater of:

- (1) The payment standard, as determined above in Chapter 9, paragraphs 9.4.k.i. and 9.4.k.ii., at the commencement of homeownership assistance for occupancy of the home.
- (2) The payment standard, as determined above in Chapter 9, paragraphs 9.4.k.i. and 9.4.k.ii., at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

RHE will use the same payment standard schedule, payment standard amounts, and subsidy standards for the homeownership option as for the rental voucher program.

9.4.k.iii. A Family's Homeownership Expenses Shall include the Following Items:

- (1) Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home.
- (2) Real estate taxes and public assessments on the home.
- (3) Home insurance.
- (4) RHE allowance schedule for maintenance expenses, including annual sewer tap

fees.

- (5) The allowance schedule for costs of major repairs and replacements.
- (6) RHE' utility allowance for the home.
- (7) Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements, or improvements for the home.

If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, and if RHE determines that the allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.

9.4.k.iv. If the home is a condominium unit, homeownership expenses may also include condo operating charges or maintenance fees assessed by the condo homeownership association.

9.4.k.v. RHE will pay homeownership assistance payments directly to the family as instructed by the family either by direct deposit to the family's bank account or by check to the family and lender on behalf of the family. If there is any excess assistance, it will be paid to the family.

9.4.k.vi. Homeownership assistance for a family terminates automatically 180 calendar days after the last housing assistance payment is paid on behalf of the family. However, RHE retains the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

**9.4.l. Homeownership Portability
24CFR 982.636**

9.4.l.i. A family may qualify to move outside the initial RHE jurisdiction with continued homeownership assistance under the voucher program. Families determined eligible for homeownership assistance by RHE may purchase a unit outside the jurisdiction if:

- (1) They meet RHE' normal requirements for portability under the rental program.
- (2) The receiving housing authority is administering a voucher homeownership program and the family meets the receiving housing authority's eligibility requirements.
- (3) The receiving housing authority is accepting new homeownership families.

9.4.l.ii. Conversely, if RHE has slots open in its homeownership program, and RHE is

currently absorbing vouchers, it will accept homeowners exercising portability from another program and absorb such families, if possible.

9.4.l.iii. In general, the portability procedures in RHE' Plan for rental housing apply to the homeownership option. The administrative responsibilities of the initial and receiving's housing authorities are not altered except that some administrative functions do not apply to the homeownership option.

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

9.4.m. Moving with Continued Tenant-Based Assistance
24CFR 982.637

9.4.m.i. A family receiving homeownership assistance may move to a new unit with continued tenant-based assistance. The family may move either with voucher rental assistance (in accordance with rental assistance program requirements) or with voucher homeownership assistance (in accordance with the homeownership option program requirements.) RHE will not commence continued tenant-based assistance for occupancy of the new unit so long as any family member owns any title or other interest in the prior home. No more than one move per year may occur in the program.

9.4.m.ii. RHE must be able to determine that all initial requirements have been satisfied if a family that has received homeownership assistance wants to move to a new unit with continued homeownership assistance. In addition, RHE will require refresher counseling prior to each subsequent move. However, the following requirements do not apply:

(1) The requirement for pre-purchase counseling is not applicable.

(2) The requirement that a family must be a first-time homeowner is not applicable.

9.4.m.iii. RHE may deny permission to move with continued rental or homeownership assistance if RHE determines that it does not have sufficient funding to provide continued assistance.

9.4.m.iv. At any time RHE may deny permission to move with continued voucher assistance in accordance with the next section.

9.4.n. Denial or Termination of Assistance for Families
24CFR 982.638

9.4.n.i. At any time, RHE may deny or terminate homeownership assistance in accordance

with the HCV program requirements. 24CFR 982.552

- 9.4.n.ii.** The same restrictions on admission or continued assistance regarding criminal activities shall apply to the homeownership program as the HCV program. 24CFR 982.553
- 9.4.n.iii.** RHE may deny or terminate assistance for violation of participant obligations as described in the HCV program and/or the Statement of Homeownership Obligations. 24CFR 982.551 & 24CFR 982.633
- 9.4.n.iv.** RHE must terminate voucher assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA-insured or non-FHA) securing debt incurred to purchase the home or any refinancing of such debt.

RHE, in its discretion, may permit the family to move to a new unit with continued voucher rental assistance if the family can show that the default was for reasons beyond its control. However, RHE will deny such permission, if:

- (1) The family defaulted on an FHA-insured mortgage.
- (2) The family fails to demonstrate that:
 - (a) The family has conveyed title to the home, as required by HUD, to HUD, or HUD's designee.
 - (b) The family has moved from the home within the period established or approved by HUD.
 - (c) In the event the family sells the home during the homeownership voucher subsidy period, the family must repay RHE 100% of the HAP subsidy received from any sales proceeds.

If the family receives sales proceeds that are greater than the HAP subsidy received by the family, the family must repay RHE 100% of the HAP subsidy. If the family keeps any profits beyond what is paid to RHE, they will not be entitled to a tenant-based voucher. If the family repays RHE 100% of their sales proceeds, which includes 100% repayment of the HAP subsidy and all profits in excess, the family will be eligible for a tenant-based voucher.

If the family receives sales proceeds that are less than the HAP subsidy received by the family, the family shall repay RHE using ALL of their sale proceeds. The family is not obligated to pay the remaining HAP amount. Once a family does this, they will be eligible for a tenant-based voucher pending all other eligibility requirements are met.

- 9.4.n.v.** In making the decision to terminate homeownership assistance, RHE will consider alternatives and other factors and may, on a case-by-case basis, choose not to terminate assistance.

Termination notices will be sent in accordance with the requirements and policies set forth in the program regulations and the Plan.

9.4.n.vi. Informal Hearings 24 CFR 982.555

An informal hearing will be provided for participants who are being terminated from the HCV program because of the family's action or inaction to act as provided in 24 CFR 982.552. The rules and procedures set forth in Chapter 8, paragraph 26 of the Plan will apply.

9.4.o. Default

Upon the conclusion of the homeownership program participation period, if the family does not have sufficient income to pay the mortgage without voucher assistance, the family may:

- (1) **Choose not to receive a tenant-based voucher.** If the family sells the home and the sales proceeds are greater than the HAP subsidy received by the family, the family must repay RHE 100% of the HAP subsidy. If the family keeps any profits beyond what is paid to RHE, they will not be entitled to a tenant-based voucher.
- (2) **Choose to receive a tenant-based voucher (recapture).** If the family has not defaulted but has a documented hardship, RHE will review the hardship. Based upon extenuating circumstances, RHE may allow the family to return to the HCV rental assistance program. In order to return to the rental program, the family will be required to dispose of the homeownership unit prior to receiving any rental assistance.

Once the home is sold:

- (a) If the family repays RHE 100% of their sales proceeds, which includes 100% repayment of the HAP subsidy and all profits in excess, the family will be eligible for a tenant-based voucher.
- (b) If the family receives sales proceeds that are less than the HAP subsidy received by the family, the family shall repay RHE using ALL of their sale proceeds, and the family is not obligated to pay the remaining HAP amount. Once a family does this, they will be eligible for a tenant-based voucher.

Default actions can also include:

- (1) Non-payment of HOA fees.

- (2) Non-payment of other required local or ownership fees, including utilities, tap fees, and/or other required fees that result in a lien being placed on the home.

9.5. HOUSING CHOICE VOUCHER PROJECT-BASED PROGRAM
24 CFR 983

9.5.a RHE has established a Project-Based Voucher (PBV) program with the objectives to:

- (1) Increase the supply of affordable housing in the city of Rockville.
- (2) Allow for the integration of housing and supportive services, such as job training and case management and housing for the disabled and veterans.
- (3) Coordinate resources of public and non-profit agencies with similar missions.
- (4) Utilize the PBV program to facilitate conversion of public housing units to the voucher program funding platform.

9.5.b. Components of the Program

9.5.b.i. RHE may authorize up to 50 percent of its HCV program budget authority to PBV units. 24CFR983.6. Exceptions to this limit are provided under HUD's voluntary conversion guidelines.

RHE MTW Activity 9 – Increase PBV Program Cap

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The number cap of vouchers that can be project-based will not exceed 50%. This activity applies to RHE owned properties that are converting to project-based voucher developments through HUD's conversion programs.

9.5.b.ii. Units may be existing, new construction, or rehabilitated. No more than 25% of the units in any building may be assisted with PBV with the exception that single family units, i.e., 1-4 units in a building, and excepted units in a multi-family building that are specifically made available for elderly or disabled families or families receiving supportive services. 24CFR983.52

RHE MTW Activity 10 – Increase PBV Project Cap

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The percentage cap of project-based vouchers that can be project-based in a building or project is 100%. This activity applies to RHE owned properties that are converting to project-based voucher developments through HUD's conversion programs.

9.5.c. Participation Requirements

9.5.c.i. RHE must conduct a competitive selection process. 24CFR983.51

RHE MTW Activity 11 – Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The selection process in the award of project-based vouchers to properties owned by RHE that are not public housing without engaging in an initiative to improve, develop, or replace a public housing property on site is eliminated. This activity affects RHE owned properties that are converting to project-based voucher developments through HUD’s conversion programs.

9.5.c.ii. Prospective owners or developers must respond to a Request for Proposals (RFP) issued by RHE.

9.5.c.iii. RHE will evaluate RFP responses according to the following selection criteria established during the RFP process.

9.5.c.iv. All proposed projects must have the approval of RHE’ Board of Commissioners, meet HUD’s HQS, and have an executed Housing Assistance Payments (HAP) contract.

9.5.d. Units Eligible for PBV

- (1) PBV units must be in compliance with RHE’ goals, civil rights requirements, HQS, and HUD’s required site selection standards. 24CFR983.57.

RHE MTW Activity 8 – HQS Third-Party Requirement

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The requirement to have a third-party perform HQS inspections on project-based voucher units owned, managed, or controlled by RHE is removed.

- (2) For units to be considered for an exception to the 25% cap in a building and that exception is based on providing supportive services, the services must be designed as services essential for maintaining or achieving independent living such as counseling, education, job training, health care, mental health services, alcohol and/or other substance abuse services, childcare services, and/or case management services.

- (3) Proposed rents for PBV units must meet rent reasonableness requirements.

RHE MTW Activity 7 – Rent Reasonableness – Third-Party Requirement

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The requirement to have a third-party perform rent reasonableness determinations on project-based voucher units owned, managed, or controlled by RHE is removed.

9.5.e. Units Not Eligible for PBV
24CFR983.53

- (1) Shared Housing.
- (2) Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution.
- (3) Nursing homes or facilities providing continuous psychiatric medical, nursing service, board and care, or intermediate care.
- (4) Units that are owned or controlled by an educational institution and are designated for occupancy by students of the institution.
- (5) Manufactured homes.
- (6) Cooperative housing.
- (7) Transitional housing.
- (8) High rise elevator units for families with children.
- (9) Owner occupied units.
- (10) Units occupied by an ineligible family.
- (11) Units subsidized by any governmental rent subsidy or any governmental subsidy that covers all or any part of the operating costs of the housing.

9.5.f. Eligible Applicants for PBV Units

- (1) Applicants must meet the eligibility requirements for the Housing Choice Voucher program. (See Chapter 3)
- (2) Persons who will reside in the PBV units must come from the RHE wait list or be referred by the owner as referenced in the HAP contract between RHE and the owner.
- (3) As in the tenant-based HCV program, RHE will not screen applicants for

behavior or rent history. This is the responsibility of the owner.

- (4) If an owner denies an applicant from their specific project-based voucher development wait list, that denial will not affect the applicant's position on RHE' wait list.

9.5.g. Project-Based Voucher Waiting List

- 9.5.g.i.** Each PBV site will have a site-based waiting list that will be maintained by the PBV owner or property manager. RHE will maintain a copy of that waiting list.

RHE will have one waiting list for tenant-based vouchers and a separate waiting list for the following PBV properties.

1. Scattered Sites and Scarborough Square
2. Fireside Park – with a preference for developmentally disabled adults (working with Jubilee must qualify for Medicaid live in aid services)
3. Victory Court – near elderly/elderly preference
4. Bealls grant – adults with behavioral health issues
5. Community Ministries – SRO elderly disabled

- 9.5.g.ii.** Applicants may apply to both the tenant-based site waiting list and or the project-based site waiting list.

- 9.5.g.iii.** An applicant on the tenant-based waiting list that meets the selection criteria for a site-based PBV waiting list may be placed on the applicable site-based waiting list.

- 9.5.g.iv.** Applicants may be referred to apply for the site-based waiting list by the owner as referenced in the HAP contract between RHE and the owner.

9.5.h. Leasing and Occupancy

- 9.5.h.i.** Leasing and occupancy requirements for the PBV program are the same as for the tenant-based voucher program, (see Chapter 7) except that portability provisions do not apply as the subsidy is tied to the project rather than the tenant. A PBV program participant must be on RHE' tenant-based voucher wait list and be offered a tenant-based voucher in order to use a voucher to move to another jurisdiction. (See Chapter 7, Paragraph 7.12)

- 9.5.h.ii.** The HAP contract between the owner and RHE will be for an initial term of 15-20 years, not to exceed a maximum term of 50 years, subject to annual HUD appropriations. After the initial term, RHE may agree to extend the term of the contract for an additional term of up to 15-20 years if the property and owner are in compliance with program rules and HUD statutes and regulations. The length of the extension will be negotiated with the owner and the form will be subject to any HUD prescribed conditions at the time of the extension.

9.5.h.iii. An owner may request an increase to the rent at the annual anniversary of the HAP contract by submitting a 90-day notice to RHE and obtaining RHE’ approval for the proposed increase.

9.5.h.iv. Families participating in the PBV program must comply with all aspects of the Statement of Family Responsibility HUD form 52578b.

9.5.i How Participants Are Selected

9.5.i.i Who May Receive PBV Assistance

- (1) RHE may select families who are participants in RHE’ tenant-based voucher program and families who have applied for admission to the voucher program.
- (2) Except for voucher participants (determined eligible at original admission to the voucher program), RHE may only select families determined eligible for admission at commencement of PBV assistance.
- (3) The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to admission to the project-based program.
- (4) RHE may not approve a tenancy if the owner (including a principal or other interested party) of a unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless RHE determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

9.5.i.ii Protection of In-Place Families

- (1) The term “in-place family” means an eligible family residing in a proposed contract unit on the proposal selection date.
- (2) In order to minimize displacement of in-place families, if a unit to be placed under contract that is either an existing unit or one requiring rehabilitation is occupied by an eligible family on the proposal selection date, the in- place family must be placed on the PHA’s waiting list (if the family is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. (However, RHE may deny assistance for the grounds specified in 24 CFR 982.552 and 982.553.) Admission of such families is not subject to in- come-targeting under 24 CFR 982.201(b)(2)(i), and such families must be referred to the owner from RHE’ waiting list. RHE shall give such families priority for admission to the PBV program. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.

9.5.i.iii Selection from RHE Waiting List

- (1) Applicants who will occupy PBV units must be selected by RHE from RHE' waiting list. RHE must select applicants from the waiting list in accordance with the policies in the PHA administrative plan.
- (2) RHE may use a separate waiting list for admission to PBV units or may use the same waiting list for both tenant-based assistance and PBV assistance. If RHE chooses to use a separate waiting list for admission to PBV units, RHE must offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list for PBV assistance.
- (3) RHE may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for RHE' whole PBV program. In either case, the waiting list may establish criteria or preferences for occupancy of particular units.
- (4) RHE may merge the waiting list for PBV assistance with RHE' waiting list for admission to another assisted housing program.
- (5) RHE may place families referred by the PBV owner on its PBV waiting list.
- (6) Not less than 75 percent of the families admitted to RHE' tenant-based and project-based voucher programs during RHE' fiscal year from RHE' waiting list shall be extremely low-income families. The in-come-targeting requirements at 24 CFR 982.201(b)(2) apply to the total of admissions to RHE' project-based voucher program and tenant-based voucher program during RHE' fiscal year from RHE' waiting list for such programs.
- (7) In selecting families to occupy PBV units with special accessibility features for persons with disabilities, RHE must first refer families who require such accessibility features to the owner (see 24 CFR 8.26 and 100.202).

9.5.i.iv Preference for Services Offered

In selecting families, RHE may give preference to disabled families who need services offered at a particular project in accordance with the limits under this paragraph. The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.

9.5.i.v Preference Limits

- (1) The preference is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain them-selves in housing;
 - (a) Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
 - (b) For whom such services cannot be provided in a nonsegregated setting.

- (2) Disabled residents shall not be required to accept the particular services offered at the project.
- (3) In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project.

9.5.i.vi Offer of PBV Assistance

- (1) If a family refuses RHE' offer of PBV assistance, such refusal does not affect the family's position on RHE' waiting list for tenant-based assistance.
- (2) If a PBV owner rejects a family for admission to the owner's PBV units, such rejection by the owner does not affect the family's position on RHE' waiting list for tenant-based assistance.
- (3) RHE may not take any of the following actions against an applicant who has applied for, received, or refused an offer of PBV assistance:
 - (a) Refuse to list the applicant on RHE' waiting list for tenant-based assistance;
 - (b) Deny any admission preference for which the applicant is currently qualified;
 - (c) Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under RHE' selection policy;
 - (d) Remove the applicant from the waiting list for tenant-based voucher assistance.

9.5.j PHA Information for Accepted Family

9.5.j.i Oral Briefing

- (1) When a family accepts an offer of PBV assistance, RHE must give the family an oral briefing. The briefing must include information on the following subjects:
 - (a) A description of how the program works; and
 - (b) Family and owner responsibilities.

9.5.j.ii Information Packet

- (1) RHE must give the family a packet that includes information on the following subjects:

- (a) How RHE determines the total tenant payment for a family;
- (b) Family obligations under the program; and
- (c) Applicable fair housing information.

9.5.j.iii Providing Information for Persons With Disabilities

If the family head or spouse is a disabled person, RHE must take appropriate steps to assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet, including in alternative formats.

9.5.k Leasing of Contract Units

9.5.k.i Owner Selection Of Tenants

- (1) During the term of the HAP contract, the owner must lease contract units only to eligible families selected and referred by RHE from RHE' waiting list.
- (2) The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.
- (3) An owner must promptly notify in writing any rejected applicant of the grounds for any rejection.

9.5.l Vacancies

9.5.l.i Filling Vacant Units

- (1) The owner must promptly notify RHE of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, RHE must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies.
- (2) The owner must lease vacant contract units only to eligible families on RHE' waiting list referred by RHE.
- (3) RHE and the owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.

9.5.l.ii Reducing Number Of Contract Units

If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of RHE to fill such vacancies),

RHE may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

9.5.m Continuation of Housing Assistance Payments

Housing assistance payments shall continue until the tenant rent equals the rent to the owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to § 983.211.

9.5.n Overcrowded, Under-Occupied, and Accessible

9.5.n.i Family Occupancy of Wrong-Size or Accessible Unit

- (1) RHE's subsidy standards determine the appropriate unit size for the family size and composition. If RHE determines that a family is occupying a:
 - (a) Wrong-size unit, or
 - (b) Unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, RHE must promptly notify the family and the owner of this determination, and of the RHE's offer of continued assistance in another unit pursuant to the paragraph of this section.

9.5.n.ii PHA Offer of Continued Assistance

- (1) If a family is occupying a:
 - (a) Wrong-size unit, or
 - (b) Unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, RHE must offer the family the opportunity to receive continued housing assistance in another unit.
- (2) RHE's policy on such continued housing assistance must be stated in the administrative plan and may be in the form of:
 - (a) Project-based voucher assistance in an appropriate-size unit (in the same project or in another project);
 - (b) Other project-based housing assistance (e.g., by occupancy of a public

housing unit);

(c) Tenant-based rental assistance under the voucher program; or

(d) Other comparable public or private tenant-based assistance (e.g., under the HOME program).

9.5.n.iii PHA Termination of Housing Assistance Payments

- (1) If RHE offers the family the opportunity to receive tenant-based rental assistance under the voucher program, RHE must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by RHE) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration date of the term of the family's voucher, RHE must remove the unit from the HAP contract.
- (2) If RHE offers the family the opportunity for another form of continued housing assistance in accordance with paragraph (b)(2) of this section (not in the tenant-based voucher program), and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by RHE, or both, RHE must terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of a reasonable period as determined by RHE, and remove the unit from the HAP contract.

RHE MTW Activity 13 – Limit Portability for PBV Units

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The requirement to provide a tenant-based voucher at 12 months when requested by a project-based voucher household is waived. PBV households are required to remain in place for 24 months prior to being eligible to receive an available tenant-based voucher. This activity applies to RHE owned properties that are converting to project-based voucher developments through HUD's conversion programs. This activity is applicable to both newly admitted and currently assisted workable and non-workable families.

9.5.o Family Right to Move

- (1) The family may terminate the assisted lease at any time after 24 months of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease.
- (2) If the family has elected to terminate the lease in this manner, RHE must offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

- (3) Before providing notice to terminate the lease under paragraph (a) of this section, a family must contact RHE to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher or other comparable tenant-based rental assistance is not immediately available upon termination of the family's lease of a PBV unit, RHE must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.
 - (a) The above policies do not apply when the family or a member of the family 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 or safety of the family or family member, or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move. RHE may not terminate assistance if the family, with or without prior notification to RHE, moves out of a unit in violation of the lease, if such move occurs to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit, or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.
 - (b) If a family breaks up as a result of an occurrence of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, RHE may offer the victim the opportunity for continued tenant-based rental assistance.

9.5.p Rent to Owner

9.5.p.i Initial and Redetermined Rents

The amount of the initial and redetermined rent to owner is determined in accordance with this section and § 983.302.

- (1) An amount determined by RHE not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance;
- (2) The reasonable rent; or
- (3) The rent requested by the owner.

9.5.q Payment to Owner

9.5.q.i Vacancy Payment at RHE' Discretion

- (1) At the discretion of RHE, the HAP contract may provide for vacancy payments to the owner (in the amounts determined in accordance with paragraph (b)(2) of this section) for a RHE-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- (2) RHE may make vacancy payments to the owner only if:
 - (a) The owner gives RHE prompt, written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief);
 - (b) The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 - (c) The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
 - (d) The owner provides any additional information required and requested by RHE to verify that the owner is entitled to the vacancy payment.
- (3) The owner must submit a request for vacancy payments in the form and manner required by RHE and must provide any information or substantiation required by RHE to determine the amount of any vacancy payment.

9.5.r Payment Standard

The Payment Standard for project-based voucher units is the contract rent.

**9.6. HOUSING CHOICE VOUCHER
Voluntary Conversion – Project-Based Vouchers****9.6.a. Program Overview**

Once RHE has received approval from HUD to convert public housing units to PBV units under the voluntary conversion program, RHE will convert the remaining 76 public housing units located at David Scull Courts to project-based vouchers. RHE may also convert the four (4) Annual Contributions Contract (ACC) public housing units at Fireside Park to project-based vouchers.

9.6.b. PBV Contract Terms

Length of Contract. Covered projects shall have an initial HAP term of 20 years.

RHE MTW Activity 12 – Increase PBV HAP Contract Length

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

The term length of a PBV contract is up to 50 years including extensions subject to appropriations and the end of the MTW Authorization. This allows RHE to have an initial contract year of 15 to 20 years with renewal options. This activity applies to RHE owned properties that are converting to project-based voucher developments through HUD’s conversion programs.

9.6.c. Waiting List

The PBV development will maintain a separate site-based waiting list for the scattered site PBV development and the proposed David Scull PBV development. The current public housing waiting list will convert to become the RHE PBV site-based waiting list upon execution of the PBV HAP contract for the scattered site PBV development and the proposed David Scull PBV development.

9.6.d. Choice Mobility

HUD seeks to provide all residents of covered projects with viable choice mobility options. Owners that convert the assistance of a project to PBV are required to provide a choice mobility option to tenants of covered projects in accordance with the following:

Resident Eligibility: Residents have a right to move with tenant-based rental assistance (HCV) the later of (a) 24 months from date of execution of the HAP or (b) 24 months after the move-in date.

9.6.e. PBV Choice Mobility Waiting List

RHE will establish a separate waiting for current project-based voucher program participants who want to receive a tenant-based voucher. Based on the availability of tenant-based vouchers, when RHE pulls from the tenant-based voucher waiting list, 75% of available tenant-based vouchers will be allocated to families on the tenant-based voucher waiting list, and 25% of available tenant-based vouchers will be made available to families on the project-based voucher to tenant-based voucher waiting list. The project-based voucher to tenant-based voucher waiting list will be available to current project-based voucher tenants. Families will be placed on the PBV choice mobility waiting list based on the length of time of residency as a project-based voucher tenant and then by the date and time order of the receipt of the applications.

Project Turnover Cap

Also recognizing the limited availability of turnover vouchers and the importance of managing turnover in the best interests of the property, in any year, RHE may limit the number of choice mobility moves exercised by eligible households to 15% of the assisted units in the project. (For example, if the project has 100 assisted units, RHE could limit the number of families exercising choice mobility to 15 in any year, but not less than 15.) While RHE is not required to establish a project turnover cap, if implemented RHE must create and maintain a waiting list. Families will

be placed on the PBV choice mobility waiting list based on the length of time of residency as a project-based voucher tenant and then by the date and time order of the receipt of the applications.

9.6.f. Scarborough Square Project-Based Vouchers

It is the desire of RHE to provide project-based vouchers at the Scarborough Square Apartments upon acquisition of the property. RHE will open the site based project-based voucher waiting list for Scarborough Square Apartments. Waiting list selection will be based on time and date of application submittal. One preference point will be given to applicants that are current Scarborough Square residents at the time of application submittal.

9.7 LOCAL, NON-TRADITIONAL ACTIVITIES

RHE MTW Activity 14 – Housing Development Programs

Fiscal Year Introduced: 2022

Fiscal Year Approved by HUD: 2022

Fiscal Year Closed by RHE: 2024

The block grant will be utilized to acquire, renovate, and/or build affordable units for low-income families that are not public housing units. Activities are inclusive of, but not limited to gap financing for non-public housing authority development of affordable housing, development of project-based voucher units, or tax credit partnerships.

9.8 SPECIAL PROGRAM CONSIDERATIONS – MARYLAND SAFE AT HOME PROGRAM

For program participants who participate in special protection programs, such as the Maryland Safe at Home Program or Witness Protection program, RHE will comply with the requirements of the program. In the event the voucher program regulations conflict with the protection program, RHE must follow the voucher program rules. It is up to the program participant to decide how to reconcile his/her voucher program participation with their participation in the specific protection program.

Regarding the Maryland Safe at Home Program, RHE will not deviate from utilizing the P.O. Box provided for written communication. If the program participant requests RHE utilize a different address, including their residential address for written communication, RHE will refuse the request under every circumstance and will only send documents to the provided P.O. Box unless and until RHE received written notification from the Maryland Safe at Home Program that the voucher program participant is no longer participating in the Maryland Safe at Home Program, and RHE is released in writing from utilizing the residential address as the mailing address. Program participants may pick up documents in person at the RHE administrative offices and or may choose to receive communications via email or through the Yardi client portal.

9.9 STABILITY VOUCHER PROGRAM

9.9.a Household Eligibility

In order to be eligible for a Stability Voucher (SV), a household must meet one of four eligibility criteria:

1. Individuals and families who are currently experiencing homelessness;
2. Individuals and families at risk of homelessness;
3. Individuals and families fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault; and
4. Veterans and families that include a veteran family that meet one of the preceding criteria (1-3).

In general, the verification that the family meets one of these four eligibility categories is conducted by the Continuum of Care (CoC), or another partnering agency that makes direct referrals to RHE. The CoC or other direct referral partner must provide supporting documentation to RHE of the referring agency's verification that the family meets one of the four eligible categories for SV assistance.

9.9.b. Admissions Process - Direct Referrals from the CoC and Other Partnering Organizations

RHE must accept referrals for SVs directly from the Centralized or Coordinated Entry (CE) process, which will help ensure families are able to get assistance quickly and eliminate the administrative burden on RHE regarding the determination as to whether the family meets the definition of a qualifying individual or family for SV assistance. CoCs and their partners may also support applicants through the application process and attend meetings with applicants and RHE to aid individuals and families through the admissions process. Direct referrals for SVs are not added to RHE's regular HCV waiting list.

In general, families are issued SVs as the result of either:

- (1) The direct referral process from the CoC CE process or other partnering organizations, or
- (2) A situation where RHE makes an SV available in order to facilitate an emergency transfer for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking. RHE utilizes SVs as a resource to effectuate emergency transfers for a survivor of domestic violence, dating violence, sexual assault, stalking, or human trafficking.

RHE must also take direct referrals from outside the CoC CE process if:

- (1) The CE process does not have a sufficient number of eligible families to refer to fully lease RHE's allocation of SVs, or
- (2) The CE process does not identify a sufficient number of families that may be eligible for SV assistance because they are fleeing, attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.

In those instances, RHE must enter into a partnership to receive direct referrals from another

entity (for example, a Victim Services provider that elects to not use the CE under 24 CFR 578.23(c)(9) or another homeless services provider (if there are not enough direct referrals coming through the CE process), assuming there are such additional organizations that can certify that an individual or family is homeless or at risk of homelessness, formerly homeless, is an individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking. RHE must enter a Memorandum of Understanding (MOU) with partnering referral agency as described above in Section 10.a. Alternatively, the partnering referral agency may be added to the MOU between RHE and CoC.

The referring agency must provide documentation to RHE of the referring agency's verification that the family meets one of the four eligible categories for SV assistance. RHE must retain this documentation as part of the family's file. HUD has attached to this notice two examples of certifications that could be used to document the referring agency's verification.

For certifying eligibility for individuals and families fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, CoCs and VSPs may accept the survivors' self-definition of "fleeing or attempting to flee" for purposes of meeting eligibility for the SV as a person fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking. Therefore, if an individual self-identifies as fleeing or attempting to flee domestic violence, that individual would be eligible for a SV. Additionally, the survivor of domestic violence, dating violence, sexual assault, stalking, or human trafficking can be a minor child.

Other than cases where a survivor of domestic violence, dating violence, sexual assault, stalking, or human trafficking is requesting an emergency transfer, the PHA must refer a family that is seeking SV assistance directly from RHE to the CoC or other referring agency partner for initial intake, assessment, and possible referral for SV assistance.

If at any time RHE is not receiving enough referrals or is not receiving referrals in a timely manner from the CoC's CE process or other partner referral agencies (or RHE and CoC cannot identify any such alternative referral partner agencies), RHE must enter into a formal partnership with another entity, such as another homeless service provider and/or victim services provider (such as a sexual assault, human trafficking, or cultural specific VSP), to receive referrals.

RHE must inform families on the HCV waiting list of the availability of SVs by, at a minimum, either posting the information to their website or providing public notice in their respective communities. RHE' notice must describe the eligible populations to which the SVs are limited and clearly state that the availability of these SVs is managed through a direct referral process. RHE' notice must advise the family to contact the CoC (or any other RHE referral partner, if applicable) if the family believes they may be eligible for SV assistance. In providing this notice, RHE must ensure effective communication with persons with disabilities, including those with vision, hearing, and other communication-related disabilities.

With the exception of special admissions, the HCV regulations require that RHE admit an applicant as a waiting list admission. In order to implement the above alternative requirements, HUD is waiving 24 CFR § 982.204(a), which requires that except for special admissions, participants must be selected from RHE' waiting list and that RHE must select participants from

the waiting list in accordance with admission policies in RHE' administration plan.

9.9.c Separate Waiting List For SVs

The HCV program regulations at 24 CFR § 982.204(f) provide that RHE must use a single waiting list for admission to its HCV program. It is possible that the number of applicants referred by partnering agencies at a given time may exceed the SVs available for RHE to issue to families. HUD recognizes that requiring RHE to utilize its existing HCV waiting list to manage SV referrals will create unnecessary administrative burden, complications, and delays. HUD is therefore waiving 24 CFR § 982.204(f) to establish an alternative requirement under which the RHE shall maintain a separate waiting list for SV referrals/applicants to help expedite the leasing process. Because the SV waiting list is based on direct referrals or emergency transfer requests to RHE from survivors of domestic violence, dating violence, sexual assault, stalking, or human trafficking and not applications from the general public, HUD is also waiving 24 CFR § 982.206, which requires RHE to give public notice when opening and closing the waiting list. Under this alternative requirement, RHE will work directly with its CoC, VSP, and other referral agency partners to manage the number of referrals and the size of the SV waiting list.

HUD is waiving 24 CFR § 982.552 and § 982.553 in part and establishing an alternative requirement with respect to mandatory and permissive prohibitions of admissions for SV applicants. The SV alternative requirement is as follows:

Mandatory Prohibitions

- (1) RHE must apply the standards it established under 24 CFR § 982.553(a)(1)(ii)(C) that prohibit admission if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing to SV applicants.
- (2) RHE must apply the standards it established under 24 CFR § 982.553(a)(2)(i) that prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program to SV applicants.

Permissive Prohibitions

RHE may prohibit admission of a family for the grounds stated below. RHE may choose not to prohibit admission for these grounds or may establish a more permissive policy than RHE' policy for admission to the regular HCV program. RHE may not establish a permissive prohibition policy for SV applicants that is more prohibitive than the policy established for admissions to the regular HCV program. RHE policy on SV permissive prohibitions must be described in the RHE' administrative plan.

If RHE intends to establish permissive prohibition policies for SV applicants, RHE must consult with its CoC partner to understand the impact that the proposed prohibitions may have on referrals and must take the CoC's recommendations into consideration. RHE must not deny SV applicant admission or otherwise exclude an SV applicant based on arrest records only.

RHE considers the circumstances in which any conduct has occurred, the length of time since the offense, the nature and severity of the offense, and any supporting information, (e.g. an

engagement with supportive services, participation in treatment activities/program, whether criminal activity was related to intimate partner violence, other evidence of rehabilitation, etc.) and any supporting information, (ex. an engagement with supportive services, participation in treatment activities/program, whether criminal activity was related to human trafficking victimization, etc.) when determining whether past/recent criminal activity merits a permissive prohibition. RHE' policy on SV permissive prohibitions must be described in RHE' administrative plan. Determinations must be made based on an individualized assessment of relevant mitigating information. Before denying SV applicant admission because of a criminal record, RHE must offer that individual the opportunity to provide evidence of mitigating circumstances or that the record is inaccurate. The permissive prohibitions are:

- (1) If the PHA determines that any household member is currently engaged in, or has engaged in within the previous 12 months:
 - a) Violent criminal activity.
 - b) Other 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.
- (2) If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program within the previous 12 months.
- (3) If the family engaged in or threatened abusive or violent behavior toward PHA personnel within the previous 12 months.

Unlike regular HCV admissions, RHE may not deny an SV applicant admission regardless of whether:

Any member of the family has been evicted from federally assisted housing or RHE has ever terminated assistance under the program for any member of the family.

- The family currently owes rent or other amounts to RHE or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- The family breached an agreement with RHE to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.
- The family would otherwise be prohibited admission under alcohol abuse standards established by RHE in accordance with 24 CFR §982.553(a)(3).
- RHE determines that any household member is currently engaged in or has engaged in during a reasonable time before the admission, drug-related criminal activity.

9.9.d. Inapplicability of Income Targeting Requirements

RHE must determine income eligibility for SV families in accordance with 24 CFR §982.201.

However, the income targeting requirements of Section 16(b) of the United States Housing Act of 1937 and 24 CFR § 982.201(b)(2) are waived and do not apply for SV families so that participating RHE can effectively serve individuals and families in all the eligibility categories under the ARP who may be at a variety of income levels, including low-income families. RHE may still choose to include the admission of extremely low-income SV families in its income targeting numbers for the fiscal year in which these families are admitted. In conformance with normal program rules, RHE may not deny admission to a family with zero income and must consider hardship circumstances before charging a minimum rent in accordance with 24 CFR § 5.630(b).

9.9.e. Use of Recently Conducted Initial Income Determinations and Verifications at Admission

Some families who were recently homeless but are now currently residing in rapid rehousing or are receiving other time-limited housing assistance may have had their income recently verified under that housing assistance program. Furthermore, families who are eligible for SV assistance as survivors of domestic violence, dating violence, sexual assault, stalking, or human trafficking may be currently assisted through other subsidized housing programs such as public housing. RHE may accept income calculations and verifications from third-party providers or from an examination that RHE conducted on behalf of the family for another subsidized housing program in lieu of conducting an initial examination of income as long as the income was:

- (1) Calculated in accordance with rules outlined at 24 CFR Part 5 and within the last six months and
- (2) The family certifies there has been no change in income or family composition in the interim. At the time of the family's annual reexamination RHE must conduct the annual reexamination of income as outlined at 24 CFR § 982.516.

For each new admission under this waiver and alternative requirement, RHE must: review the EIV Income and IVT Reports to confirm/validate family-reported income within 90 days of the submission date; print and maintain copies of the EIV Income and IVT Reports in the tenant file; and resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

9.9.f. Pre-Inspection of HQS Units

To expedite the leasing process, RHE may pre-inspect available units that SV families may be interested in leasing in order to maintain a pool of eligible units. If an SV family selects a unit that passed a HQS inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval (form HUD-52517), the unit may be approved as long as it meets all other conditions under 24 CFR § 982.305. However, the family must be free to select their unit and cannot be required to accept a pre-screened unit.

9.9.g. Initial Search Term

Given rising rents and low vacancy rates SV families may face significant challenges with their housing search. An initial search term of 60 days may be inadequate for SV families to find a unit. Consequently, HUD is waiving 24 CFR § 982.303(a), which provides that the initial search term must be at least 60 days and is establishing an alternative requirement that the initial term for an SV must be at least 120 days. Any extensions, suspensions, and progress reports will remain under the policies in RHE' administrative plan but will apply after the minimum 120-day initial search term. HUD recommends that RHE consider extending beyond the required 120-day initial search term if rising rents and low vacancy rates are contributing factors to low leasing rates in the RHE' jurisdiction.

RHE must grant reasonable accommodation requests to extend the housing search term that may be necessary for individuals with disabilities to find a unit that meets their disability-related needs. For example, it may be challenging to find a unit that includes specific accessibility features, is close to accessible transportation, or close to supportive services or medical facilities.

9.9.h. Initial Lease Term

Under the HCV program, the family must enter into an initial lease with the owner for at least one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice. To provide a greater range of housing opportunities for SV families and maximize housing choice, HUD is waiving Section 8(o)(7)(A) of the United States Housing Act of 1937 and 24 CFR § 982.309(a)(2)(ii). The initial lease term for an SV family may be less than 12 months regardless of whether the shorter term is a prevailing market practice.

9.9.i. Portability

The normal HCV portability procedures and requirements generally apply to SVs with the following exceptions.

No Prohibition On Portability For Non-Resident Applicants.

Under the HCV program, if neither the household head nor spouse of an assisted family already had a "domicile" (legal residence) in the jurisdiction of RHE at the time the family first submitted an application for participation in the program, the family does not have any right to portability during the 12-month period from when the family is admitted to the program. Such a family is a "non-resident applicant." The initial PHA may choose to allow portability during this period but is not required to do so.

In order to provide maximum housing choice for the targeted populations, HUD is removing this restriction for SV nonresident applicants to allow all SV families to immediately move under portability. Accordingly, HUD is waiving Section 8(r)(1)(B)(i) of the United States Housing Act of 1937 and 24 CFR § 982.353(c). The PHA may not restrict an SV family from exercising portability because they are a nonresident applicant.

Portability Billing And Absorption

A receiving PHA cannot refuse to assist an incoming SV family, regardless of whether the PHA does or does not currently administer SVs under its own ACC.

If an SV family moves under portability to another PHA that administers SVs under its own ACC:

- The receiving PHA may only absorb the incoming SV family with an SV (assuming it has an SV voucher available to do). If the PHA does not have an SV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit with SV assistance and may not absorb the family with a regular HCV when the family leases the unit.
- Regardless of whether the receiving PHA absorbs or bills the initial PHA for the family's SV assistance, the SV administration of the voucher is in accordance with the receiving PHA's SV policies, although neighboring PHAs and PHAs in the same metro area or region are strongly encouraged to work collaboratively with one another to align SV policies and help facilitate SV portability moves between their jurisdictions.

If the SV family moves under portability to another PHA that does not administer SVs under its own ACC, the receiving PHA may absorb the family into its regular HCV program or may bill the initial PHA.

9.9.j. Payment Standard Amounts

HUD is waiving 24 CFR § 982.503(a)(3) and establishing an alternative requirement permitting RHE to establish separate higher payment standards for SVs in order to increase the potential pool of available units for SV families. The separate SV payment standard must comply with all other HCV requirements under 24 CFR § 983.503 with the exception of the waivers of 24 CFR § 982.503(b)(i) and § 982.503(b)(iii) discussed below.

In addition, HUD is waiving 24 CFR § 982.503(b)(1)(i) and establishing an alternative requirement to allow RHE to establish a payment standard amount for a unit size at any level between 90 percent and 120 percent (as opposed to 110 percent) of the published FMR for that unit size. HUD approval is not required to establish an SV payment standard within that range.

Furthermore, HUD is waiving 24 CFR § 982.503(b)(1)(iii) and establishing an alternative requirement to provide that a PHA that is not in a designated Small Area FMR area or has not opted to voluntarily implement Small Area FMRs under § 888.113(c)(3) may establish exception payment standards for a ZIP code area above the basic range for the metropolitan FMR based on the HUD published Small Area FMRs. RHE may establish an exception payment standard up to 120 percent (as opposed to 110 percent) of the HUD published Small Area FMR for that ZIP code area. As is the case for the regular HCV program, RHE must notify HUD if it establishes an SV exception payment standard based on the Small Area FMR. The exception payment standard must apply to the entire ZIP code area.

RHE may also still request approval for exception SV payment standards above 120% of the applicable FMR/SAFMR from HUD in accordance with 24 CFR § 982.503(b)(1)(iv) or § 982.503(c) if needed.

All rent reasonableness requirements at 24 CFR § 982.507 continue to apply to SV units, regardless of whether RHE has established an alternative or exception SV payment standard.

9.9.k. Turnover

Upon turnover, SV vouchers must continue to remain available for families experiencing or at-risk of homelessness, those fleeing or attempting to flee domestic violence dating violence, sexual assault, or stalking, or human trafficking, and veterans and families that include a veteran family member that meet one of the proceeding criteria.

9.9.l. Moving-to-Work (MTW) Agencies

As an MTW agency that administers SVs, RHE is bound by the terms and conditions of this notice. As discussed above in Section 10, all HCV statutory and regulatory requirements and HUD directives are applicable to SVs unless waived by this notice. However, RHE may request approval from HUD's Office of Housing Voucher Programs to administer SVs in accordance with the HCV programmatic flexibilities approved under RHE' Annual MTW Plan or MTW Supplement to RHE' Plan, as permitted by its MTW Agreement or the MTW Operations Notice. The Office of Housing Voucher Programs may approve the RHE' request provided it determines the requested MTW flexibility is not in direct conflict with an SV waiver or alternative requirement and its application would not have a detrimental impact on SV families. Like other waivers, RHE must submit such requests with supporting justification through their local Field Office. SV funding is not eligible for MTW fungibility but must only be used for SV eligibility activities and to assist SV eligible families.

9.10 TENANT-BASED VOUCHER SET ASIDE FOR FOSTER YOUTH TO INDEPENDENCE (FYI)

RHE will set aside tenant-based vouchers for the purposes of providing regular tenant-based vouchers, if funding utilization is available, to FYI voucher holders nearing their 3-year term limit.

9.10.a FYI and SV Initiatives

RHE will use the MTW funding flexibility to support FYI and SV holders through the following initiatives:

- (1) Security Deposit Assistance
 - (a) RHE will provide security deposit assistance for FYI voucher and SV holders of up to two (2) month's rent.
 - (b) RHE will send deposit checks directly to the landlord.
 - (c) FYI voucher and SV holders must show proof of seeking assistance from other agencies. (Department of Health and Human Services and the City of Rockville)
 - (d) Landlords must agree to return deposit back to RHE upon move out of the

FYI voucher and SV holders. If there are any tenant caused damages beyond normal wear and tear, RHE has to mutually agree that the damages are in fact beyond normal wear and tear. If there damages are beyond normal wear and tear, the FYI voucher or SV holder must pay RHE back the amount of the security deposit lost due to damages. Additionally, FYI voucher and SV holders will not be eligible for additional security deposit or application fee assistance until the damage claim is paid back to RHE.

(2) Utility Deposit Assistance

- (a)** RHE will provide FYI voucher and SV holders with assistance paying utility deposits of up to \$1,000. RHE will provide utility deposits for water, gas, electric, and internet.
- (b)** RHE will send utility deposits directly to the utility company.
- (c)** FYI voucher and SV holders must have exhausted all other available utility deposit resources.
- (d)** Deposit returns must be given back to RHE once the FYI voucher and SV holders moves.

(3) Apartment Application Fee Assistance

- (a)** RHE will assist FYI voucher and SV holders with paying application fees for housing applications of up to three (3) units per move.
- (b)** FYI voucher and SV holders must have exhausted all other available application fee resources.

(4) U-Haul Moving Assistance

- (a)** RHE will assist FYI voucher and SV holders in picking up donated furniture for moves up to \$250 per move or the actual cost, whichever is lower, when the voucher holder must move to another unit due to a reason that is not caused by the tenant.

(b) Transportation Assistance

(5) RHE will provide public transit passes to FYI voucher and SV holders for the following purposes:

- (a)** Working or looking for work
- (b)** School

(c) Medical appointments

(d) Grocery Shopping

(6) FYI voucher holders will have a \$0 minimum rent for the first six months.

9.11 MARYLAND STATEWIDE VOUCHER PROGRAM

RHE administers the Maryland Statewide Voucher Program (MSVP) via the Maryland Department of Housing and Community Development, Community Development Administration. The MSVP operates conforming to RHE' federal Housing Choice Voucher Program (HCVP) as outlined in RHE' Administrative Plan with few exceptions as notated below.

RHE is a Moving to Work (MTW) Demonstration Program agency. The MTW flexibilities afforded to RHE may or may not extend to the MSVP.

9.11.a Family Obligations

Families that receive a MSV under the MSVP must:

- Supply any information to RHE necessary for the administration of the MSV
- Notify RHE before vacating the unit
- Use the unit only as a principal place of residency
- Maintain all utilities that are not paid through the housing assistance payment (HAP)

Families that receive a MSV under the MSVP may not:

- Own the unit in which the assistance is provided
- Commit fraud in connection with the MSVP
- Sublease, assign the lease, or transfer the unit
- Allow anyone not on the lease to reside in the unit

9.11.b Family Eligibility

In order to be eligible for a Maryland Statewide Voucher (MSV), a family must meet the following criteria:

- Currently reside in Maryland
- Be on RHE' federal HCV waiting list
- Meet the low-income eligibility limits under the federal HCVP or income requirements as determined by RHE.

9.11.c Live-In Aides

A family may request a live-in aide to provide the necessary supportive services for a family member who is elderly or a disabled person. The MSVP shall follow RHE' HCVP's live-in request process as outlined in Chapter 3 of RHE' Administrative Plan.

9.11.d Length of Assistance

Families shall remain on the MSVP for up to five (5) years or until a federal Housing Choice Voucher becomes available, whichever occurs first.

9.11.e MSVP Waiting List

There shall be no separate waiting list for the MSVP. Families will be selected from RHE' current HCV waiting list for MSVs.

9.11.f Waiting List Prioritization Requirements

Selection from the waiting list for MSVs shall follow RHE' HCVP's selection process as outlined in Chapter 5 of RHE' Administrative Plan; however, RHE will equally prioritize MSVs for families that include the following:

- A child under the age of 18
- A foster child who is at least 18 years old, but less than age of 24
- A military veteran
- An individual experiencing homelessness
- A disabled individual
- An elderly individual that is at least 62 years old

9.11.g Admissions Process

The MSVP will follow RHE' HCVP's admission's process as outlined in Chapter 5 of RHE' Administrative Plan.

9.11.h Denials and Terminations**General**

Denial of assistance for an applicant may include any or all of the following:

- Denying a voucher under the MSVP
- Withdrawing a MSVP voucher
- Refusing to enter into a HAP Contract
- Refusing to approve a lease under the MSVP

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a MSVP contract
- Refusing to approve a lease under the MSVP
- Terminating housing assistance payments under a MSVP HAP Contract

Mandatory

RHE must deny assistance to applicants and terminate assistance for participants for any of the following reasons:

- Sex offenders who are subject to a lifetime registration requirement under a state sex

offender registration program

- If the family is evicted under the MSVP for a serious lease violation
- Any adult member of the family that fails to sign or submit required consent forms for obtaining information

RHE may deny assistance under the MSVP if RHE finds that any individual residing in a unit rented using assistance from the MSVP has been convicted of a drug-related crime under state law or a violent crime.

In deciding to deny or terminate assistance under the MSVP, RHE has the discretion to consider all relevant circumstances, including the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related 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 if a family member:

- Violates any obligations under the MSVP
- Has been evicted from federally assisted housing for violent criminal activity that threatened the health, safety, or welfare of other residents within the preceding 3 years
- Has committed fraud, bribery, or any other corrupt or criminal act in connection with the MSVP
- Owes a financial obligation to RHE in connection with another housing or rental assistance program
- Breaches a repayment agreement to pay amounts owed to RHE
- Has engaged in threatened abusive or violent behavior toward RHE employees, the property owner or property management staff, or other residents
- Received assistance under the MSVP and is absent from the unit for more than 180 consecutive days

RHE may prohibit other family members from residing in a unit rented using assistance from the MSVP who participated in or were culpable for actions specified above. In making that determination, RHE may consider:

- The seriousness of the case
- The extent of participation by or culpability of individual family members
- Mitigating circumstances related to the disability of a family member
- The effects of the prohibition on other family members who were not involved in the action or failure

9.11.i Notice of Denial/Termination of Assistance

If RHE denies or terminates assistance under the MSVP, RHE shall promptly give the family written notice which states:

- The reason(s) for the proposed denial or termination
- The effective date of the proposed termination (if applicable)
- The family's right to request an informal review
- The date by which a request for an informal review must be received

9.11.j Voucher Issuance

The MSVP shall follow RHE' HCVP's voucher issuance as outlined in Chapter 6 of RHE' Administrative Plan. HUD's income limits for voucher issuance, 75% of all new program participants must be at or below the very low-income limit (50% AMI), does not apply to the MSVP.

9.11.k Determining Voucher Size

Voucher size and subsidy standards for the MSVP shall be determined following RHE' HCVP's voucher issuance as outlined in Chapter 6 of RHE' Administrative Plan.

9.11.l Payment Standard Amounts

Payment Standards for the MSVP shall be determined following RHE' HCVP's payment standards as outlined in Chapter 7 of RHE' Administrative Plan.

9.11.m Inspection of Units

The MSVP scheduling and execution of inspections shall follow RHE' HCVP's HQS and/or NSPIRE inspection protocols as outlined in Chapter 7 of RHE' Administrative Plan. For a unit located in a building with 3 to 49 units, the property owner shall provide RHE with a certificate of occupancy that has been completed within 1 year. For a unit located in a building with 50 units or more, the property owner shall provide RHE with an inspection certificate.

9.11.n Recertifications

The MSVP will follow RHE' HCVP's recertification process as outlined in Chapter 5 of RHE' Administrative Plan, with the exception of the recertification period. Families on the MSVP will receive annual recertifications.

9.11.o Portability

Families with a MSV, issued by RHE, may not port-out to another housing authority, and RHE will not accept any port-in MSVs issued from another housing authority that administers the MSVP.

9.11.p Surviving Family Members

If the head of household who was receiving assistance under the MSVP dies, a surviving family member may continue to receive assistance if the household is solely occupied by remaining family members.

9.12 VETERAN AFFAIRS SUPPORTIVE HOUSING VOUCHER PROGRAM (VASH)

HUD - Veteran Affairs Supportive Housing (VASH) vouchers under this part are administered in accordance with the tenant-based HCV and PBV program regulations set forth at 24 Code of

Federal Regulations (CFR) parts 982 and 983, respectively. In both programs, the RHE pays monthly rental subsidies so that eligible families can afford decent, safe, and sanitary housing. HUD provides housing assistance funds to RHE, as well as funds for the RHE administration of the program.

Under the HCV program, families select and rent units that meet program housing quality standards (HQS). If the RHE approves a family's unit and tenancy, RHE contracts with the property owner to make rent subsidy payments (housing assistance payments) directly to the owner on behalf of the family on a monthly basis. The family enters into a lease with the owner and pays its share of the rent to the owner in accordance with the lease. Under the HCV tenant-based voucher program, the housing assistance payments (HAP) contract between RHE and the owner covers only a single unit and a specific assisted family. If the family moves out of the leased unit, the HAP contract with the owner terminates. The family may generally move to another unit with continued assistance so long as the family is complying with program requirements.

Under the PBV program, families occupy units under a PBV HAP contract. Generally, there are multiple units under the PBV HAP contract. In many cases supportive services are provided on-site. All of the PBV requirements in 24 CFR part 983 apply except where waived as described below.

Unless expressly noted below, all regulatory requirements and HUD directives regarding the HCV tenant-based voucher and PBV programs are applicable to HUD-VASH vouchers, including the use of all HUD-required contracts and other forms. RHE' local discretionary policies adopted in the RHE' Administrative Plan apply to HUD-VASH vouchers unless such local policy conflicts with the requirements of the HUD-VASH vouchers outlined below, in which case the requirements in this document supersede the Administrative Plan.

RHE is required to maintain records that allow for the easy identification of families receiving HUD-VASH vouchers. RHE must identify these families in the Information Management System/PIH Information Center (IMS/PIC), or any successor system. This record-keeping will help ensure that, in accordance with appropriations renewal language, HUD-VASH vouchers that are in use will remain available for homeless veterans upon turnover.

9.12.a Family Eligibility, Selection, and Documentation

HUD-VASH eligible families are homeless veterans and their families. The Appropriations Acts have provided for statutory or regulatory waivers or alternative requirements upon a finding by the Secretary that such waivers or alternatives are necessary for the effective administration and delivery of voucher assistance (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). The December 17, 2007, Explanatory Statement for the 2008 Appropriation Act provides, "The Appropriations Committees expect that these vouchers will be made available to all homeless veterans, including recently returning veterans." (153 Cong. Rec. H16514 (daily ed., Dec. 17, 2007)).^[1] Section 8(o)(19) of the United States Housing Act of 1937 (USHA of 1937), which requires homeless veterans to have chronic mental illnesses or chronic substance use disorders with required treatment of these disorders as a condition of

receipt of HUD-VASH assistance, is waived.

By agreeing to administer the HUD-VASH program, RHE is relinquishing its authority to determine the eligibility of families in accordance with regular HCV program rules and RHE policies with the exceptions of income eligibility and lifetime sex offender status. Specifically, under the HUD-VASH program, RHE will not have the authority to screen any potentially eligible family members or deny assistance for any grounds permitted under 24 CFR 982.552 (broad denial for violations of HCV program requirements) and 982.553 (specific denial for criminal activity and alcohol abusers), with one exception. RHE will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. However, unless the family member that is subject to lifetime registration under a State sex offender registration program is the homeless veteran (which would result in denial of admission for the family), the remaining family member(s) may be served if the family agrees to remove the sex offender from its family composition. Accordingly, HUD is exercising its authority to waive 42 U.S.C. 1437d(s), 42 U.S.C. 13661(a), (b), and (c), and 24 CFR 982.552 and 982.553 both in regard to denial of admission, with the exception of 982.553(a)(2)(i), which requires denial of admission to certain registered sex offenders, and with the exceptions of 982.552(c)(2)(v) and 982.553(e), which contain the fair housing and equal opportunity provisions and protections for victims of domestic violence, dating violence, sexual assault, and stalking. These provisions also apply to PBV assistance.

Eligibility determination and veteran selection is done by the VA, as described later in this section. HUD-VASH eligible families are referred to the RHE for the issuance of a voucher or selection for a PBV unit. As stated above, RHE must accept these referrals. Written documentation of these referrals must be maintained in the tenant file at the RHE.

RHE is not authorized to maintain a waiting list or apply local preferences for the HUD-VASH program. Instead, VA refers HUD-VASH eligible families to RHE for the issuance of a HUD-VASH voucher or identification of a PBV unit that is exclusively made available to HUD-VASH families. If a HUD-VASH-eligible family is referred and there is an available PBV unit that is not exclusively made available to HUD-VASH families, RHE may also offer to refer the family to the owner for occupancy of that unit if allowable under the selection policy applicable to that project, and the owner RHE may amend the PBV HAP contract to designate the PBV unit as a HUD-VASH PBV unit. Accordingly, sections 8(o)(6)(A) and (B) and 8(o)(13)(J) of the USHA of 1937, 42 U.S.C. 1437f(o)(6)(A) and (B) and (o)(13)(J), in regard to preferences, has been waived to provide for the effective administration of the program. In addition, provisions relating to applicant selection from the waiting list and local preferences of 24 CFR 982.202, 982.204, 982.207, and 983.251 are also waived. Note that 24 CFR 983.251(a)(4), which disallows renting to relatives except when it may be necessary as a reasonable accommodation, is not waived. Note that 24 CFR 982.202(b)(3) (Family characteristics), 24 CFR 982.202(d) (Admission policy), and 24 CFR 983.251(a)(3) (protections for survivors of domestic violence, dating violence, sexual assault, or stalking covered by part 5, subpart L apply to admission to the PBV program) continue to apply. 24 CFR 982.203, 982.205, and 982.206 regarding special admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD-VASH program.

The VA may approve RHE with unleased HUD-VASH vouchers as a DSP for the purposes of veteran selection and intake. This RHE-specific DSP authority allows RHE to issue a HUD-

VASH voucher to a veteran without a referral from the VA. RHE is responsible for determining, through processes agreed upon with the partnering VA medical facility, that the veteran meets the VA program participant requirements established by the VA national office. The determination of whether an individual qualifies as a veteran for the purposes of a HUD-VASH voucher is made by the VA medical facility. RHE must refer the veteran to the VA for case management and must provide temporary case management (not to exceed 180 days) until the VA has completed intake of the veteran. At present, RHE may not use HCV administrative fees for case management. Further guidance will be provided on the provision of case management by RHE as the DSP.

RHE approved as DSPs under this authority must also ensure that while using unleased HUD-VASH vouchers, they maintain sufficient HUD-VASH vouchers available to immediately issue a HUD-VASH voucher to veterans referred by the VA.

In regard to verifying SSN for homeless veterans and their family members, RHE must follow the SSN verification hierarchy. RHE must use available flexibilities in accordance with 24 CFR 5.216(g)(1)(iii) to accept self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, or benefit letter that contains the name of the individual in the absence of other documentation. For the homeless veteran, the third-party document could be the VA-issued photo ID or document with the veteran's name. If verifying an individual's SSN using this method, RHE must document why the other SSN documentation was not available. In the case of the homeless veteran, the PHA must accept the *Certificate of Release or Discharge from Active Duty* (DD 214) or the VA-verified *Application for Health Benefits* (10-10EZ) as verification of SSN if these forms are available; however, these forms are not required to verify SSN. These documents must also be accepted for proof of age purposes. Please note that veterans are also issued photo identification cards by the VA and these cards must be accepted by RHE in lieu of another type of government-issued photo identification.

When adding a family member after the HUD-VASH family is admitted to the program, the rules of 24 CFR 982.551(h)(2) apply. Other than the birth, adoption or court-awarded custody of a child, RHE must approve additional family members and may apply its regular screening criteria in doing so.

Civil rights requirements cannot be waived. The HUD-VASH program is administered in accordance with applicable civil rights and fair housing requirements. These include applicable authorities under 24 CFR 5.105(a) and 24 CFR 982.53 including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act, the Americans with Disabilities Act, and HUD's Equal Access Rule.

When HUD-VASH applicants or recipients include veterans with disabilities or family members with disabilities, HUD's reasonable accommodation requirements apply. These standards require RHE to make a reasonable adjustment to rules, policies, practices, and procedures when it may be necessary in order to enable an applicant or resident with a disability to have an equal opportunity to use and enjoy a dwelling, the common areas of a dwelling, or participate in or access a recipient's programs and activities. These standards extend to various aspects of program implementation, including, for example, denial or termination of assistance, initial search term of

the HCV, initial lease term, and informal reviews and hearings. Under the PBV program, this also includes providing structural changes to a unit or public or common use area when they may be needed as a reasonable accommodation for an applicant or participant or their household members with a disability. Other obligations include, for example, effective communication with persons with disabilities, physical accessibility requirements, and overall nondiscrimination in the administration of the program.

9.12.b Income and Asset Eligibility

RHE must determine income and asset eligibility for HUD-VASH families in accordance with 24 CFR 982.201 and 24 CFR 5.618. Income targeting requirements of section 16(b) of the USHA of 1937, as well as 24 CFR 982.201(b)(2), do not apply for HUD-VASH families so that participating PHAs can effectively serve the eligible population specified in the Appropriations Acts; that is, homeless veterans, who may be at a variety of income levels, including low-income. In addition, RHE must serve all income eligible veterans, including low-income veterans (up to 80% AMI) in HUD-VASH. HUD is exercising its authority to waive 24 CFR 982.201(b)(iii) to provide that, for HUD-VASH, low-income families are eligible for assistance and RHE may not condition this eligibility based on “additional eligibility criteria” specified in its Administrative Plan.

Under Section 3(b) of the USHA of 1937, the definition of income specifically excludes “deferred disability benefits from the Department of Veterans Affairs that are received in a lump sum amount or in prospective monthly amounts” and “any expenses related to aid and attendance under section 1521 of title 38, United States Code, to veterans who are in need of regular aid and attendance.” All other VA service-connected benefits are included in determining income eligibility for the HCV program. For a very small percentage of homeless veterans, the amount of VA service-connected benefits received due to the severity of their disabilities results in the veteran being over the low-income limit.

In order to ensure that homeless veterans are not excluded from participation in the HUD-VASH program because of their VA service-connected disability benefits, particularly with respect to the opportunity to reside in HUD-VASH PBV projects located on the site of a VA facility or where HUD-VASH supportive services are provided on-site at the project, HUD is exercising its waiver authority and establishing alternative requirements for purposes of determining income eligibility for HUD-VASH. For HUD-VASH applicants receiving VA service-connected disability benefits, HUD is waiving section 3(b) of the USHA of 1937, which applies for purposes of determinations of lower income family eligibility based on median income under the USHA of 1937, including Section 8 programs, as well as 24 CFR 5.609(a)(1), which provides that annual income includes all amounts not specifically excluded in paragraph (b) of § 5.609.

As an alternative requirement, RHE must determine the applicant's annual income for purposes of income eligibility by excluding all VA service-connected benefits received by the HUD-VASH applicant in addition to the income exclusions listed under 24 CFR 5.609(b). This special income exclusion only applies to the definition of annual income for purposes of determining income eligibility. If the HUD-VASH applicant now qualifies as a low-income family under this alternative requirement, the VA service-connected benefits (with the exception of the normally

excluded deferred VA disability payments under 24 CFR 5.609(b)(16) and the payments related to aid and attendance under 24 CFR 5.609(b)(17)) must still be included as annual income when calculating the family's adjusted income under 24 CFR 5.611. In other words, the VA service-connected disability benefits are excluded for purposes of determining income eligibility but included for purposes of calculating the total tenant payment (TTP), housing assistance payment, and family share.

Because there needs to be a monthly housing assistance payment (HAP) in order to enter into a HAP contract on behalf of a tenant-based voucher family, the utilization of tenant-based HUD-VASH assistance by families determined income eligible under this waiver and alternative requirement will be limited to those areas where the family's (TTP) (see 24 CFR 5.628) is less than the applicable payment standard or exception payment standard (including any HUD-VASH specific exception payment standard established by RHE in accordance below). The family would also need to select a unit with a gross rent that is above the family TTP in order to lease a unit with the tenant-based HUD-VASH voucher.

Under the PBV program, RHE may select an occupied unit to be included under a PBV HAP Contract only if the unit's occupants are eligible for assistance under 24 CFR 982.201 and the TTP for the family must be less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP (24 CFR 983.52(c)). In addition, in selecting a family for an available PBV unit, RHE must determine the TTP for the family is less than the gross rent, meaning that the unit will be eligible for a monthly HAP (24 CFR 983.251(a)(2)). However, below, HUD is providing a waiver and alternative requirement where the PHA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to HUD-VASH families if the PBV project is either on the grounds of a VA facility or there are HUD-VASH supportive services provided on-site at the project.

RHE may choose to include the admission of extremely low-income HUD-VASH families in its income targeting numbers for the fiscal year in which these families are admitted. In conformance with normal program rules, RHE may not deny admission to a family with zero income. When the veteran family reports that they have zero income, RHE must accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to require that the family verify zero reported income. The self-certification does not need to be notarized. RHE must verify families' income in the Enterprise Income Verification (EIV) System within 120 days after admission.

In determining compliance with the asset limitation at 24 CFR 5.618 at admission, for the HUD-VASH program, RHE must accept a self-certification by the family that the family's total assets are equal to or less than \$50,000, adjusted annually for inflation, and that the family does not have any present ownership interest in real property, without taking additional steps to verify the accuracy of the declaration. RHE may accept a self-certification of net family assets at reexamination but must fully verify the family's assets every three years. For net family assets exceeding \$50,000, adjusted annually for inflation, the PHA must fully verify the family's assets as required for all HCV families.

RHE must not enforce the asset limitation for HUD-VASH families at reexamination.=

9.12.c Initial Search Term of the Voucher

Recognizing the challenges that HUD-VASH participants may face with their housing search, HUD-VASH vouchers must have an initial search term of at least 120 days. This applies to the search term at both initial issuance and moves with assistance. Therefore, 24 CFR 982.303(a), which states that the initial search term must be at least 60 days, shall not apply, since the initial term must be at least 120 days. Any extensions, suspensions, and progress reports will remain under the policies in the RHE' Administrative Plan but will apply after the minimum 120-day initial search term. RHE uses flexibility allowing for needed extensions of search terms. Extensions may also be needed as a reasonable accommodation for a household with a member with a disability, such as for example, due to the difficulty in finding a unit that meets one's disability-related needs, *e.g.*, physically accessible unit, unit near accessible transportation, unit near medical or other facilities.

9.12.d Initial Lease Term

Under the HCV tenant-based voucher program, voucher participants must enter into an initial lease with the owner for at least one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice. To provide a greater range of housing opportunities for HUD-VASH voucher holders, initial leases may be less than 12 months; therefore, both section 8(o)(7)(A) of the USHA of 1937, 42 U.S.C. 1437f(o)(7)(A), and 24 CFR 982.309(a)(2)(ii) are waived to allow a term less than one year, without regard to RHE independently determining that a shorter term would improve housing opportunities and that a shorter term is the prevailing market practice. Note that this waiver does not apply to PBVs.

9.12.e Eligible Housing

24 CFR 982.352(a)(5) and 983.52(a)(2) prohibit assistance for units on the physical grounds of a medical, mental, or similar public or private institution. HUD is waiving these prohibitions for the limited purpose of allowing assistance on the grounds of a VA facility for both HCV tenant-based vouchers for HUD-VASH families and all PBV units made exclusively available for HUD-VASH families.

9.12.f Mobility and Portability of HUD-VASH Vouchers

An eligible family issued a HUD-VASH voucher must receive required case management services provided by the partnering VA medical facility. Therefore, special mobility and portability procedures must be established. HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the VA medical facility.

Since the VA will be identifying homeless veterans eligible to participate in the HUD-VASH program, section 8(r)(1)(B)(i) of the USHA of 1937, 42 U.S.C. 1437f(r)(1)(B)(i), which restricts portability in cases where the family did not reside in the jurisdiction of the PHA at the time of application for HCV assistance, and 24 CFR 982.353(a), (b), and (c), which affects where a

family can lease a unit with HCV assistance, do not apply. A family that moves under the portability procedures must not be subject to rescreening by the receiving PHA. HUD may publish PIH notices from time to time to further explain portability requirements under the HUD-VASH program. In all porting scenarios, with the exception of victims of domestic violence, dating violence, sexual assault, and stalking, RHE must consult with the VA prior to approving the port.

(1) Portability Moves Within Same Catchment Area (or Area of Operation) Where Case Management Is Provided by the Initial PHA's Partnering VA Medical Facility

If the family initially leases up, or moves, under portability provisions, but the initial PHA's partnering VA medical facility will still be able to provide the necessary case management services due to the family's proximity to the partnering VA medical facility, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. However, since the initial PHA must maintain records on all HUD-VASH families receiving case management services from its partnering VA medical facility, receiving PHAs without a HUD-VASH program must bill the initial PHA. Therefore, 24 CFR 982.355(d), which gives the receiving PHA the option to absorb the family into its own HCV program or bill the initial PHA, is not applicable.

(2) Portability Moves Within Same Catchment Area Where Both PHAs Have Received HUD-VASH Vouchers

The receiving PHA may bill the initial PHA or absorb the family into its own HUD-VASH program if the VA medical facility providing the initial case management agrees to the absorption by the receiving PHA and the transfer of case management. The absorption will also entail the availability of a HUD-VASH voucher and case management provision by the receiving PHA's partnering VA medical facility.

(3) Portability Moves Where Receiving PHA Is Beyond VA Medical Facility Catchment Area

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VA medical facility to provide case management services, the VA must first determine that the HUD-VASH family could be served by another VA medical facility that is participating in this program, and the receiving PHA must have a HUD-VASH voucher available for this family. In these cases, the family must be absorbed by the receiving PHA either as a new admission (upon initial participation in the HUD-VASH program) or as a portability move-in (after an initial leasing in the initial PHA's jurisdiction). Upon absorption, the initial PHA's HUD-VASH voucher will be available to lease to a new HUD-VASH eligible family, as determined by the partnering VA medical facility, and the absorbed family will count toward the number of HUD-

VASH slots awarded to the receiving PHA.

(4) Portability Moves Where Receiving PHA Is Beyond Catchment Area for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking

Veterans who request to port beyond the catchment area of the VA medical facility where they are receiving case management in order to protect the health or safety of a person who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believes themselves to be threatened with imminent harm from further violence by remaining in the dwelling unit (or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's move or request to move), may port prior to receiving approval from the receiving VA medical facility but must notify the VA medical facility at the earliest time possible to ensure appropriate supports are provided to the veteran family. The initial PHA must follow its emergency transfer plan as described in 24 CFR 5.2005(e). Consistent with documentation requirements at 24 CFR 5.2005(e)(10) and 5.200, RHE may require verbal self-certification or a written request from a participant seeking a move beyond the catchment area of the VA medical facility. A participant may provide a completed form HUD-5383 to satisfy a requirement to provide a written request.

The verbal self-certification or written request must include either (a) a statement expressing that the participant reasonably believes that there is a threat of imminent harm from further violence if the participant were to remain in the same dwelling unit assisted under the RHE; or (b) in the case of a participant who is a victim of sexual assault and is seeking a transfer on the basis that the sexual assault occurred on the premises during the 90-day period preceding the participant's request for the move, a statement that says this. The veteran escaping violence must be admitted to the VA medical facility caseload. For participants seeking a move beyond the catchment area of the VA medical facility while maintaining a HUD-VASH voucher, the participant must still port to a PHA that has a HUD-VASH program; if the receiving PHA does not have a HUD-VASH voucher available to lease, they may bill the initial PHA until a HUD-VASH voucher is available, at which point the porting veteran must be absorbed into the receiving PHA's program.

(5) Portability Moves When Case Management Is No Longer Required

If the family no longer requires case management, as determined by the VA medical facility, there are no portability restrictions. RHE must follow the regulatory requirements for portability found at 24 CFR 982.355.

9.12.g Case Management and Supportive Services

In general, the VA medical facility responsibilities include: (1) the screening of homeless veterans

to determine whether they meet the HUD-VASH program participation criteria established by the VA national office; (2) assisting veterans with the RHE application and assisting the veteran family with obtaining needed RHE documentation to ensure rapid voucher issuance; (3) referrals of homeless veterans to the RHE; (4) providing case management and supportive services to potential HUD-VASH program participants, as needed, prior to RHE issuance of rental vouchers; (5) providing housing search assistance to HUD-VASH participants with rental vouchers; (6) identifying the social service and medical needs of HUD-VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services, as needed, throughout this initiative; and (7) maintaining records and providing information for evaluation purposes, as required by HUD and the VA. In cases where a DSP (including a RHE approved as a DSP) is approved, the applicable responsibilities may be completed by the DSP.

As a condition of HCV rental assistance, both tenant-based voucher and PBV, a HUD-VASH eligible veteran must receive the case management services noted above, as needed, directly from or arranged by the VA. The VA, in consultation with the veteran, is responsible for determining if case management is required and if the case management requirement is satisfied.

If a veteran no longer requires case management, but maintains their HUD-VASH voucher assistance, the VA will maintain contact with the veteran family to provide support and planning assistance with the recertification and reinspection process. The VA will remain available to provide support to the veteran family, as needed.

9.12.h Termination of Assistance

There are two alternative requirements for termination of assistance for HUD-VASH participants. As detailed above, HUD-VASH voucher assistance is contingent upon participation in case management, when required by the VA. If the VA has determined that a veteran is not participating in required case management, without good cause, RHE must terminate the family from the HUD-VASH program. However, RHE may offer the family continued assistance through one of its regular vouchers or a PBV unit not exclusively made available for HUD-VASH.

A VA determination that the veteran does not require or no longer requires case management is never grounds for termination of HCV assistance. In such case, and in consultation with the VA, RHE may offer the family continued assistance through one of its regular vouchers, to free up the HUD-VASH voucher for another eligible family referred by the VA. The decision to transfer assistance to a regular voucher must consider veteran preference and must be communicated to the VA prior to occurring. If RHE has no voucher to offer, the family will retain its HUD-VASH voucher, or PBV unit, until such time as RHE has an available voucher (or PBV unit not exclusively made available for HUD-VASH) for the family. If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

Second, 24 CFR 982.552(b)(2) states that “RHE must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.” HUD is waiving this provision, and establishing the alternative requirement that RHE may terminate program assistance in these cases. Prior to terminating HUD-VASH participants, HUD strongly

encourages RHE to exercise their discretion under 24 CFR 982.552(c)(2) and consider all relevant circumstances of the specific case, as well as including the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination, prior to determining whether to terminate assistance. RHE also must grant reasonable accommodations for persons with disabilities in accordance with 24 CFR part 8. RHE may not terminate assistance on the basis or as a direct result that a member of the participant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. 24 CFR 5.2005(b). In addition, a HUD-VASH participant family must not be terminated after admission, for a circumstance or activity that occurred before admission and was known to RHE but could not be considered at the time of admission due to the HUD-VASH Operating Requirements. RHE can only terminate the family's assistance for program violations that occur after the family's admission to the voucher program.

Generally, in the case of a family break-up, the HUD-VASH assistance must stay with the HUD-VASH veteran. However, in the case of domestic violence, dating violence, sexual assault, or stalking, in which the HUD-VASH veteran is the perpetrator, the victim must continue to be assisted. Upon termination of the perpetrator's HUD-VASH voucher due to the perpetrator's acts of domestic violence, dating violence, sexual assault, or stalking, the victim must be given a regular HCV if one is available, and the perpetrator's HUD-VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available for the victim, the perpetrator must be terminated from assistance, and the victim will continue to utilize the HUD-VASH voucher.

9.12.i Turnover of HUD-VASH Vouchers

In accordance with the Appropriations Acts, upon turnover, HUD-VASH vouchers must be issued to eligible veteran families as identified by the VA, as noted above.

9.12.j MTW Agencies

HUD-VASH vouchers may be administered in accordance with flexibilities approved under a PHA's Standard MTW Agreement or MTW Operations Notice with approval from HUD's HCV office. Until such time that additional guidance is issued, MTW PHAs must submit a request through their local field office to operate HUD-VASH in accordance with approved MTW flexibilities. Requests will be approved provided the flexibilities do not conflict with the HUD-VASH program requirements or objectives. HUD-VASH vouchers are never eligible for MTW fungibility. However, MTW agencies may use their MTW funding for HUD-VASH vouchers. HUD-VASH vouchers must be reported in the IMS/PIC system, or any successor system, on either the regular HUD-50058 or HUD- 50058 MTW (or HUD-50058-MTW Expansion where appropriate) for vouchers under the agency's MTW Agreement.

9.12.k HUD-VASH PBV

Section 8(o)(13)(D) of the USHA of 1937 (42 U.S.C. 1437(o)(13)(D)) is waived for HUD-VASH vouchers so that all units exclusively made available to HUD-VASH families in a PBV project are exempted from the PBV income-mixing requirements (project cap). The project cap refers to

the number of units in a project that may receive PBV assistance and is generally the higher of 25 units or 25 percent of units in the project. Units exclusively made available to HUD-VASH families are excluded from (do not count against) this PBV project cap. Additionally, HUD-VASH supportive services only need to be provided to all HUD-VASH families in the project, not all families receiving PBV assistance in the project. If a HUD-VASH family does not require or no longer requires case management, the unit continues to count as an excepted PBV unit for as long as the family resides in that unit.

HUD waives Section 8(o)(13)(B) of the USHA of 1937, 42 U.S.C. 1437f(o)(13)(B) so that HUD-VASH units made available under a competitive PIH notice for HUD-VASH PBV units (“HUD-VASH PBV set-aside”) are excluded from the PBV percentage limitation (program cap). This exclusion only applies to HUD-VASH PBV vouchers awarded through the HUD-VASH PBV set-aside notice. All other HUD-VASH vouchers that RHE opts to project-base, are still subject to the PBV program cap. (Generally, a RHE may project-base up to 20% of its authorized HCV units. RHE may also project-base an additional 10% of its authorized HCVs for units that meet the conditions of 24 CFR 983.6(d)(1) or (d)(2) and any number of units that are excluded from the program cap pursuant to 24 CFR 983.58 and 983.59.)

Pursuant to the HUD-VASH case management and termination requirements, a HUD-VASH family's PBV assistance must be terminated for failure to participate in case management when required by the VA. If RHE has a policy in place to allow the veteran to receive a regular (non-VASH) HCV or PBV unit instead of the family's assistance being terminated, RHE may: substitute the family's unit on the PBV HAP contract for another unit if it is possible to do so in accordance with § 983.207(a) and this notice (RHE may, in conjunction with such substitution, add the original unit to the PBV HAP contract with a non-VASH voucher if it is possible to do so in accordance with § 983.207(b)); remove the unit from the PBV HAP contract so the family may remain with tenant-based assistance, if the family and the owner agree to use the tenant-based voucher in the unit; or change the unit's status in the PBV HAP contract from a unit exclusively made available for HUD-VASH to a regular PBV unit, if doing so is allowable under program rules and this notice. If RHE does not have a policy in place to allow the veteran to receive a regular (non-VASH) HCV or PBV unit instead of the family's assistance being terminated, then upon notification by the VA of the family's failure to participate in VA-required case management, RHE must provide the family a reasonable period of time (as established by the RHE) to vacate the unit. RHE must terminate assistance to the family at the earlier of (1) the time the family vacates or (2) the expiration of the reasonable period of time given to vacate (the lease terminates at the same time as termination of assistance per 24 CFR 983.256(f)(3)(v)). If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, RHE must remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. If RHE has a policy in place to allow the veteran to be moved onto a regular HCV or PBV unit, the owner may substitute a PBV unit not exclusively made available for HUD-VASH. RHE may add the removed unit to the HAP contract after the ineligible family vacates the property. The PBV program requirements governing additions and substitutions at 24 CFR 983.207 apply, except that paragraph (c) governing additions and substitutions of occupied units does not apply to units exclusively made available to HUD-VASH families in most cases. Because only homeless veterans may be referred for occupancy of a HUD-VASH PBV unit, only occupied units whose

occupants are families already receiving tenant-based HUD-VASH assistance may be added to a PBV HAP contract as units exclusively made available to HUD-VASH families. Families who are not homeless cannot receive HUD-VASH assistance as a result of the family's unit being added to a PBV HAP contract. Therefore, the provisions of 24 CFR 983.207(a), (b)(3), and (c) are waived with respect to the option to add or substitute an occupied unit unless the unit is already occupied by a family receiving tenant-based HUD-VASH assistance.

If a HUD-VASH family is eligible to move from its PBV unit pursuant to 24 CFR 983.261 and there is no HUD-VASH tenant-based voucher available at the time the family requests to move, RHE may require a family that still requires case management to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days. To effectuate this requirement, section 8(o)(13)(E)(ii) of the USHA of 1937, 42 U.S.C. 1437f(o)(13)(E)(ii), and 24 CFR 983.261(c) are waived solely for the purpose of allowing RHE to delay issuance of a voucher. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move using its HUD-VASH voucher as tenant-based assistance. Alternatively, RHE may allow the family to move using its HUD-VASH voucher as tenant-based assistance without having to meet this 180-day waiting period. In either case, RHE may either amend the PBV HAP contract to replace the assistance in the PBV unit with one of its regular vouchers if the unit is eligible for a regular PBV (for instance, so long as the unit is eligible under RHE' program and project caps) or RHE and owner may agree to temporarily remove the unit from the HAP contract. If a HUD-VASH veteran has been determined to no longer require case management, RHE must allow the family to move with the first available tenant-based voucher if no HUD-VASH voucher is immediately available and cannot require the family to wait for a HUD-VASH voucher to become available.

If RHE determines that a HUD-VASH family is occupying a wrong-size PBV unit or a PBV unit with accessibility features that the family does not require and the PBV unit is needed by a family that requires the accessibility features, RHE must notify the family and the owner within 30 days of the RHE' determination in accordance with 24 CFR 983.260(a)(2)(i). HUD applies an alternative requirement for HUD-VASH PBV units with respect to 24 CFR 983.260(b), however. Specifically, RHE' offer of continued housing assistance (that must be made within 60 days of the RHE' determination) must be in the form of either a HUD-VASH tenant-based voucher or another HUD-VASH PBV unit. If no HUD-VASH assistance is available for RHE to offer within 60 days of the RHE' determination, RHE must remove the wrong-sized or accessible unit from the HAP contract to make HUD-VASH voucher assistance available to issue the family a tenant-based HUD-VASH voucher. 24 CFR 983.206(b), which covers the required provision of tenant-based assistance requires that the family may elect to use its tenant-based assistance to remain in the same project when a PBV HAP contract terminates or expires, does not apply to families issued a HUD-VASH tenant-based voucher under this circumstance. RHE may use another voucher to add the unit removed under this alternative requirement to the HAP contract after the family vacates the property, in accordance with 24 CFR 983.207(b).

RHE does not need authorization from HUD to use HUD-VASH vouchers as PBVs (though RHE must comply with all standard PBV program requirements that are not waived in this notice in order to do so), per Section 8(o)(13)(O) of the USHA of 1937, 42 U.S.C. 1437f(o)(13)(O). However, RHE' must consult with the partnering VA medical facility to ensure approval of the project. RHE and the partnering VA medical facility are expected to communicate regarding the

PBV planning and development. RHE may project-base HUD-VASH vouchers in projects alongside other PBV units (in accordance with all applicable PBV requirements) and may execute a single HAP contract covering both the HUD-VASH PBVs and the other PBVs. However, the contract rents may not be different based on whether the unit is a HUD-VASH PBV unit or a non-HUD-VASH PBV unit. In determining the rent to owner for the PBV project, if the cap on the amount of rent to owner under 24 CFR 983.301(b)(1) is lower for non-HUD-VASH units than it is for the HUD-VASH units, that lower cap is applicable when setting the rent to owner for the PBV units in the project, including the HUD-VASH units. In the description of units in Exhibit A of the HAP contract, RHE must indicate the number of units that will be exclusively made available to HUD-VASH families. RHE must refer only HUD-VASH families to PBV units exclusively made available to HUD-VASH families and to PBV units funded through a HUD-VASH PBV set-aside award. RHE and owner may agree to amend a PBV HAP contract to re-designate a regular PBV unit as a unit specifically designated for HUD-VASH families, so long as RHE first consults with and obtains concurrence from the VA medical facility. Additionally, RHE and owner may agree to amend a PBV HAP contract to re-designate a unit specifically designated for HUD-VASH families as a regular PBV unit, so long as the unit is not funded through a HUD-VASH PBV set-aside award and is eligible for a regular PBV (for instance the unit is eligible under RHE' program and project caps). RHE and owner may also agree to temporarily remove a unit from the HAP contract in cases where a HUD-VASH eligible veteran has been identified by the VA as appropriate for a HUD-VASH PBV unit, but the veteran is not income eligible to receive voucher assistance or may not be selected for the PBV unit because the family's TTP exceeds the gross rent of the unit (*i.e.*, there is no HAP). Although the family would not be a program participant in the housing portion of the HUD-VASH program in such a case, the family would still benefit from the project's location on the grounds of a VA facility or from the HUD-VASH supportive services on-site at the project, while the HUD-VASH voucher would be available to assist another HUD-VASH family. RHE and owner could agree to add a HUD-VASH voucher back onto the PBV HAP contract if the family' income subsequently decreased to the point that there would be a HAP or when the family vacates the unit.

RHE may select an occupied unit to be included under a PBV HAP Contract only if the unit's occupants are eligible for assistance under 24 CFR 982.201 and the TTP for the family must be less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP (24 CFR 983.52(c)). Furthermore, in selecting a family for an available PBV unit, RHE must determine the TTP for the family is less than the gross rent, meaning that the unit will be eligible for a monthly HAP (24 CFR 983.251((a)(2)). However, if the PBV project is either on the grounds of a VA facility or there are HUD-VASH supportive services provided on-site at the project, RHE may opt to select a unit occupied by a "zero-HAP" HUD-VASH eligible family or admit a "zero-HAP" HUD-VASH family to a unit if such unit is made exclusively available to HUD-VASH families. Until such time that the HUD-VASH family's TTP falls below the gross rent, the family is responsible for paying the entire rent to owner (the total monthly rent payable by the family and RHE to the owner under the lease for a contract unit), in addition to being responsible for paying all tenant-supplied utilities. During any period that the family's TTP falls below the gross rent, normal PBV requirements apply. To effectuate this zero-HAP family option and the alternative requirement, Section 8(o)(2)(C) of the USHA of 1937, 24 CFR. 983.52(c), 24 CFR 983.251(a)(2), and 24 CFR 983.353(b)(1) are waived.

Under normally applicable rules, units occupied by families whose incomes have increased during their tenancy resulting in the total tenant payment equaling the gross rent shall be removed from the HAP contract 180 days following the last housing assistance payment on behalf of the family (24 CFR 983.211, 24 CFR 983.258). These regulations do not apply to zero HAP families admitted to the PBV project under this waiver and alternative requirement because there is no last housing assistance payment that would trigger the unit removal date of 180 days. As an alternative requirement, RHE has the option of removing the unit in which the zero HAP family resides from the HAP contract, but no earlier than 180 days from the start of the family PBV tenancy. If RHE exercises this option, the family may not be required to move from the unit as a consequence and continues to receive the HUD-VASH supportive services. If the project is fully assisted RHE may reinstate the unit removed to the HAP contract after the family either vacates the unit or their income decreases to the point that there would be a HAP. If the project is partially assisted, RHE may substitute a different unit for the unit removed from the HAP contract when the first eligible substitute unit becomes available (in accordance with 24 CFR 983.207). Alternatively, RHE may choose to simply leave the unit on the HAP contract while the zero HAP family continues to reside there.

PBV proposal and/or project selection for HUD-VASH must follow all regular proposal and/or project selection regulations, with the following exception. HUD is establishing an alternative requirement under 24 CFR 983.51(c) to permit noncompetitive selection of one or more PBV projects with units made exclusively available to HUD-VASH families on the site of a VA facility. Note that the method of project selection must comply with all other requirements under 24 CFR 983.51, including that RHE must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan and to ensure any project selection is consistent with the PHA Administrative Plan.

RHE may consult with their partnering VA medical facility about the option for using PBVs in conjunction with the VA's Enhanced-Use Lease (EUL) Program. The EUL Program authorizes the VA to lease underutilized real estate under its jurisdiction or control to the private sector. Through this program, lessees can develop supportive housing for homeless veterans who will be provided an expanded range of services that would not otherwise be available on medical center campuses.

9.12.1 Section Eight Management Assessment Program (SEMAP)

HUD-VASH vouchers remain excluded from the SEMAP leasing indicator. Therefore, 24 CFR 985.3(n)(1)(i) and (ii) are still waived. During a HUD-VASH RHE' calendar year, the prorated budget authority available for HUD-VASH vouchers and the units associated with that budget authority will be excluded from the denominators for both units leased and dollars expended.

9.12.m Reallocation of HUD-VASH Vouchers

HUD-VASH vouchers have been allocated based on geographic need at the time of each allocation. In recognition that there may be changes and shifts in the population of homeless veterans over time, it may become necessary for the VA and HUD to jointly reallocate HUD-VASH vouchers to better address the current needs of the homeless veteran population. This

reallocation may be done in one of two ways. If there is continued need at the VA medical facility, HUD-VASH vouchers may be voluntarily moved between PHAs administering HUD-VASH programs within the same VA medical facility catchment area. Alternatively, if it has been determined that a VA medical facility no longer has sufficient need and will not be able to utilize their available HUD-VASH vouchers, HUD and VA may choose to jointly recapture HUD-VASH vouchers from the VA medical facility and any partnering PHA(s). Recaptured vouchers, and any associated funding, will be reallocated through a national allocation process, to areas with current need. RHE must follow the process detailed in Notice PIH 2022-25: Voluntary Reallocation or Recapture of HUD-VASH or any superseding notice.

9.12.n Inspections

To expedite the leasing process for tenant-based HUD-VASH, RHE may pre-inspect available units that veterans may be interested in leasing with a HUD-VASH tenant-based voucher in order to maintain a pool of eligible units. If a HUD-VASH family selects a unit that passed a HQS inspection (without intervening occupancy) within 90 days of the date of the Request for Tenancy Approval (form HUD-52517), the unit may be approved as long as it meets all other conditions under 24 CFR 982.305. As required by 24 CFR 982.353(e), RHE is prohibited from directly or indirectly reducing the family's opportunity to select among all available units. All regulatory requirements pertaining to HQS found at 24 CFR 5.703 apply to HUD-VASH.

9.12.o Exception Payment Standards

To assist HUD-VASH participants in finding affordable housing, especially in competitive markets, HUD is waiving 24 CFR 982.503(a)(2) and (b) to allow RHE to establish a separate HUD-VASH exception payment standard. Additionally, 24 CFR 982.503(c) is waived so that RHE may go up to, but no higher than 120 percent of the published metropolitan area-wide Fair Market Rents (FMRs) or Small Area FMRs (based on the RHE' applicable FMR) specifically for their HUD-VASH program. Exception payment standards implemented by RHE under this Section also apply in determining rents under 24 CFR 983.301(b) for PBV projects only when the project is comprised solely of units exclusively made available to HUD-VASH families. This is because the contract rents established for the project may not be different based on whether the unit is a HUD-VASH PBV unit or a non-HUD-VASH PBV unit. RHE may also establish an exception payment standard up to 140 percent of the published FMR or Small Area FMR (based on which FMR RHE is applying) only to be applied if required as a reasonable accommodation in accordance with 24 CFR part 8 for a family that includes a person with a disability. Any unit approved under an exception payment standard must still meet the reasonable rent requirements found at § 982.507. To allow this, HUD is waiving Section 8(o)(1)(D) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(1)(D)) and 24 CFR 982.503(d)(5). RHE may use a payment standard that is greater than 140 percent of the FMR as a reasonable accommodation for a person with a disability, but only with HUD approval.

9.12.p Special Housing Types

RHE permits HUD-VASH clients to use the following special housing types for tenant-based HUD-VASH assistance, regardless of whether these types are permitted in their administrative

plan for other families: single room occupancy (SRO); congregate housing; group home; shared housing; and cooperative housing. Regulations for these housing types can be found at 24 CFR 982 subpart M. Consistent with the regulations, HUD-VASH PBV can never be applied to shared housing.

9.12.q Minimum Rents

RHE considers hardship circumstances before charging a minimum rent in accordance with 24 CFR 5.630(b). HUD-VASH veteran families may often require hardship exemptions of RHE' established minimum rent. For this reason, RHE may choose to charge a lower minimum rent (including a minimum rent of \$0) specifically for its HUD-VASH program regardless of the minimum rent policies established in their Administrative Plan for other HCV families.