

TABLE OF CONTENTS

INTRODUCTION	3
STATEMENT OF PURPOSE.....	4
JURISDICTION	4
OUTREACH - APPLICANTS.....	5
OUTREACH – OWNERS.....	5
INFORMATION AND ASSISTANCE TO TENANTS AND LANDLORDS.....	6
INITIAL PROCEDURES	7
APPLICATIONS.....	7
WAITING LIST.....	7
PREFERENCE CATEGORIES.....	7
REMOVAL FROM/REINSTATEMENT ON THE WAITING LIST	8
UPDATING THE WAITING LIST	9
TRANSFERS.....	9
PORTABILITY	9
ELIGIBILITY AND RENT CALCULATIONS.....	10
FAMILY SIZE AND DEDUCTIONS	12
DENIAL OF ASSISTANCE.....	13
SUBSIDY STANDARDS.....	14
PAYMENT STANDARDS	14
MINIMUM RENT	14
BRIEFINGS.....	15
EXTENSION/EXPIRATION OF VOUCHERS	16
YEARLY CERTIFICATION OF ELIGIBILITY	17
UTILITY ALLOWANCES	18
REQUEST FOR TENANCY APPROVAL (RTA) PROCESSING.....	18
FAMILY BREAK-UP	18
LEASES.....	19
RENT REASONABLENESS	19
EFFECTIVE DATES.....	20
DISAPPROVAL OF AN OWNER	20
INSPECTIONS.....	21
ADDITIONS TO HQS.....	21
PRIORITIES.....	21
LEASE APPROVAL PROCEDURES.....	22
ABATEMENT OF HOUSING ASSISTANCE PAYMENTS	22
LEAD PAINT	23
FAMILY OBLIGATIONS - HQS VIOLATIONS.....	23
FAMILY OBLIGATIONS - NO ENTRIES.....	24
RENT REASONABLENESS	24
MODERATE REHABILITATION UNITS.....	25

TERMINATIONS	26
SECTION 8 PARTICIPANT TERMINATIONS.....	26
TERMINATION OR REDUCTION OF HOUSING ASSISTANCE PAYMENTS CONTRACTS.....	26
REPAYMENT AGREEMENTS	29
MODERATE REHABILITATION PROGRAM SINGLE ROOM OCCUPANCY PROVISIONS	30
HOMEOWNERSHIP PROGRAM.....	32
PROJECT BASED VOUCHER PROGRAM.....	36
EIV PROCEDURES	43

INTRODUCTION

The Rental Assistance Corporation of Buffalo (RACB) is a not-for-profit organization, established in 1989. The City of Buffalo, as the Public Housing Authority (PHA), entered into a contract with RACB for the purpose of administering the Section 8 Existing Housing programs funded by the U.S. Department of Housing and Urban Development (HUD). RACB assumed the administration of the programs from the Housing Council of the Niagara Frontier, Inc. (HCNF). HCNF had operated the programs under contract with the City since 1976.

RACB administers the Section 8 Housing Choice Voucher and Moderate Rehabilitation Programs. Through these Section 8 programs RACB and the City seek to provide rental assistance in private housing, to low-income families, elderly, or handicapped, or disabled individuals who could not otherwise afford decent, safe and sanitary housing.

The general good of all Section 8 applicants, participating tenants and landlords was a primary factor in the development of this Plan. RACB is aware that unique circumstances may apply to any family at a given time. This Administrative Plan, therefore, is written with the acknowledgment that exceptions may apply to any given policy.

This Administrative Plan sets forth the policies and procedures of RACB's administration of the Section 8 Housing Assistance Program on behalf of the City of Buffalo. This Plan is consistent with HUD regulations and other requirements. This Plan delineates other policies and priorities developed by RACB with the concurrence of the City of Buffalo.

The Plan includes all Section 8 programs administered by RACB. Where differences in the administration of an individual program exist, they are so noted. The Plan has been approved by the Board of Directors of the Rental Assistance Corporation of Buffalo and the City of Buffalo.

STATEMENT OF PURPOSE

RACB and the City of Buffalo's commitment to efficient, effective administration of the Section 8 programs and to increased housing opportunities for low-income members of our community resulted in this Plan being based on the following premises:

- RACB shall administer the programs with the highest professional standards for public administration. RACB shall administer the program free of favoritism and partisan influence. RACB shall take measures to insure no participating landlord or tenant receives benefits to which they are not entitled under this Plan, HUD regulations and guidelines. RACB shall cooperate with investigative and enforcement authorities where program fraud and/or abuse is alleged.
- RACB shall comply with all equal opportunity and fair housing requirements imposed by contract or federal law, as specified in Section 982.53.
- RACB shall provide for community-wide awareness of the Section 8 program to serve those in need of assistance, to increase available housing opportunities, and to increase support for publicly funded housing assistance programs.
- RACB shall strive to insure the rights of tenants to be treated with dignity and respect and shall maintain professional standards regarding confidentiality of tenant information. Briefing sessions shall explain the advantages and responsibilities of participation in the program. Continued assistance shall be available to the applicant from initial screening through the lease-up period.
- RACB shall insure a reasonable rent to landlords providing decent, safe, and sanitary housing to program participants. Landlords shall also be informed of their rights and responsibilities under the program.

JURISDICTION

Families placed on the Waiting List who live or work (or have a definite promise of work) in Erie County shall be given preference over those who do not.

Briefings shall emphasize the fact that housing choices are not limited to impacted or concentrated areas; participants shall be encouraged to seek housing in any and all operational areas.

OUTREACH - Applicants

All public notices shall display the Equal Housing opportunity logo. All public notices shall be initiated in local major newspapers. Public service announcements shall also be utilized. Advertising in local and/or limited audience publications shall be employed where beneficial to reach a targeted group of applicants. Organizations providing support or services to targeted groups shall be informed and requested to refer applicants.

Efforts shall be made to notify agencies concerned with the elderly, handicapped, or disabled. Attempts shall be made to accept applications in centralized locations for the convenience of those individuals. Special outreach efforts shall also be conducted to those who, because of such factors as race, ethnicity or source of income are less likely to apply. Outreach efforts shall also be conducted in Spanish.

Applications will be accepted on a continuous basis. Applicants accepted but not able to be immediately assisted shall be placed on the Waiting List (see "Waiting List").

OUTREACH – Owners

RACB shall encourage owner participation in the Section 8 program. Owners who express interest in participating in the Voucher Programs shall receive an owner application and information on Section 8. RACB will not refer to particular units, but will provide a list of available units for participant use.

The agency shall solicit and encourage owner participation through the media and other means as cited in Applicant Outreach to make units available to eligible families.

Information from this agency to owners shall include the equal housing opportunity logo, statement, and/or slogan.

RACB will encourage the participation of owners with units in low-poverty areas. These areas will be identified through the use of census data. Landlord seminars, advertising in trade publications, participation in trade organizations, print media, and public service announcements will all be utilized to enable the broadest spectrum of rental possibilities for Section 8 participants.

INFORMATION AND ASSISTANCE TO TENANTS AND LANDLORDS

Some participating families are likely to have housing and non-housing problems. RACB may be a contact point for requesting assistance. Referrals to other agencies and persons who might be able to assist the family will be made when possible. Families with problems shall be referred to organizations such as the Erie County Department of Social Services, Neighborhood Legal Services, and/or Housing Opportunities Made Equal.

Tenant and owner disputes should be negotiated between the concerned parties. RACB shall not intercede in disputes between participating landlords and tenants except as the dispute relates to the Housing Assistance Payment Contract and/or other obligations under the Section 8 program. RACB may offer referrals to legal, dispute resolution or counseling agencies.

All owners shall be advised that eviction proceedings must be in compliance with local laws.

We shall endeavor to respond to inquiries, but we shall not jeopardize the privacy of and confidentiality of program participants. Information on participants shall be released only with their permission or as a result of a court order.

Owners will be reminded that RACB does not screen participating families for suitability for tenancy. Determination of tenant suitability is the responsibility of the owner. However, to assist the owner in determining suitability, RACB will provide the owner, if the information is available from our files, with the following information only: family current address, current and prior landlord's names and addresses.

Each prospective landlord shall receive information explaining the basics of the program. We will make forms available to owners who desire to list their units with us and distribute the list at Briefings or upon request.

INITIAL PROCEDURES

APPLICATIONS

The preliminary application for Section 8 programs shall be the official application. Once under the program, the HUD 50058 will be used for all certifications and recertifications.

Applications will be continuously accepted either by mail or on a walk-in basis.
Applications will be recorded and maintained by date and time of receipt.

A preliminary assessment of eligibility shall be done based on the information contained on the application. Verification of eligibility or preference will not be required at the time of application.

If the applicant is found to be not eligible at the time of application, he/she shall be notified of the reason(s) and given the opportunity to request an Informal Review. The request for a Review must be made in writing within ten (10) working days of the notification date.

If the applicant is found to be eligible for placement on the Waiting List, an acceptance letter will be mailed. The letter will also indicate the estimated time the applicant may expect to wait before being called in for a formal verification of their application.

WAITING LIST

Eligible applicants shall be placed on the Waiting List in chronological order according to the date and time their application was received.

Applicants shall be contacted for assistance, by preference categories, in chronological order.

PREFERENCE CATEGORIES

In addition to the residency preference, RACB will also allow preference to single individuals who are elderly, handicapped or disabled. They will be given preference over single individuals who are not elderly, handicapped or disabled.

REMOVAL FROM/REINSTATEMENT ON THE WAITING LIST

Applicants' names may be removed from the Waiting List when:

1. they fail to respond to the notice requesting verification of eligibility;
2. they notify us they are no longer in need of assistance;
3. they are found to be not eligible at the verification interview;
4. they fail to attend either two (2) Briefing Sessions or keep two (2) scheduled appointments;
5. correspondence from this office is returned because the family did not notify us of a change of address.

In all cases (except [5] above), applicants removed from the Waiting List shall be sent a letter informing them of our action. Applicants shall also be informed of their right to an Informal Review.

RACB will accept verbal notification of an address change when the person provides sufficient verification, such as the head of household Social Security Number.

Applicants removed from the waiting list because the notice requesting they verify their eligibility is returned by the Post Office (unable to forward, etc.) shall be required to re-apply for assistance when/if they contact us. General mailings to waiting list applicants, not relating to verification of eligibility, will not result in removal from the waiting list.

If an applicant's Voucher expires and the family has failed to submit a Request for Tenancy Approval (RTA), the family may be placed back on the Waiting List. The family will be notified that assistance is denied them because of the expiration. The family will be given the opportunity to request being placed back on the Waiting List. A family who requests to be placed back on the Waiting List, will be returned to the Waiting List on the date the agency received the request.

UPDATING THE WAITING LIST

RACB may periodically update the Waiting List by mailing notices to families and asking them to either confirm or change the information on file. Applicants will be requested to respond within ten (10) working days. Responses will be reviewed and changes made where necessary.

Families who fail to respond within the time frame shall be removed from the list. Applicants removed from the Waiting List because they did not respond to the update notice shall be reinstated at their original date of application if/when they contact us. However, if three (3) years have passed since the applicant's name was removed from the Waiting List, the applicant will generally be denied reinstatement.

TRANSFERS

RACB shall voluntarily accept Voucher transfers from other housing agencies if the family is in good standing (not owing any claims) with the initial housing agency. RACB shall issue the appropriate subsidy to the family upon acceptance of the transfer. RACB shall, where a family is interested in moving to another PHA's jurisdiction, contact the PHA to inform them of the move and seek information on available assistance. We shall provide whatever information is requested regarding the status of the family. Only where the family is not in good standing with this agency shall we refuse to issue a Voucher.

PORTABILITY

Effective January 1, 2005, RACB will deny a family's request to move under the portability procedures to a unit in another jurisdiction that would require RACB to pay a higher subsidy cost for the same family's assistance and the receiving PHA will not absorb the family.

When a family expresses the desire to move, the caseworker will contact the potential receiving PHA. The caseworker must ascertain if the receiving PHA will absorb the family. If the family will be absorbed, the portability procedures will continue. If the family will not be absorbed, the caseworker must obtain the payment standard utilized by the receiving PHA.

The caseworker must determine if RACB's subsidy cost will be higher in the receiving PHA, based on the family's current situation. If the cost will be higher, the family will be denied the right to relocate with continued assistance.

ELIGIBILITY AND RENT CALCULATIONS

At the time of the initial interview, any preference(s) the family claimed must be verified. An applicant not meeting the preference criteria will be so informed by a written notice. The family will not be removed from the Waiting List, but assistance will be denied until such time as those with preferences are assisted.

Where information pertaining to size of household and/or income must be verified by third party documentation, release forms shall be signed by the applicant and mailed directly from the agency. If ten (10) working days have passed from the request and no response is received from the third party source, the agency shall mail a second request to the third party source. If another (10) days from the mailing of the second request passes and there is no response from the third party source, the agency may resort to another form of verification. Where third party verifications will only be done at a cost, other documentation will be acceptable.

Families will be allowed twenty (20) working days to submit information which does not require third party verification. The needed information will be listed for the applicant at the interview or mailed to them after a review of submitted documentation. A second notice will be mailed after ten (10) working days. The application process will be terminated after twenty (20) working days. Applicants will be informed of the decision and of their right to an Informal Review.

Family certification will be allowed only when third-party verification or a review of documentation is not possible.

Any change in sources of income must be reported whenever they occur.

INCOME VERIFICATION shall include, but not be limited to the following:

1. Employer wage verification shall be obtained by a release form mailed directly to the employer. Where employer information is not obtainable, the most recent pay stubs, covering a consecutive six (6) week period and reflecting hours worked and salary paid shall be acceptable for annualization.
2. Income verification for employees who work less than 12 months of the year but are not entitled to unemployment insurance during the same 12 month period shall be annualized. (This applies almost exclusively to employees of the Buffalo Board of Education.) Income in these circumstances will be annualized by the actual number of pay periods in the employment year.
3. If self-employed, the applicant's account books along with any IRS forms that are submitted by the applicant on a periodic basis shall be accepted. If the above information is not available, a copy of the previous year's tax return and a statement of anticipated earnings shall be accepted. Based on the type of self-employment, the applicant may be advised of special recertification requirements as deemed necessary until an adequate projection of income may be calculated.

4. A current budget worksheet from the Department of Social Services shall be required where income is from Public Assistance.

5. At the time of the initial interview, a copy of the Social Security and/or Supplemental Security Income award letter(s) will be required to verify receipt of benefits. Other benefit payments shall be verified by a release form mailed to the agency that directs the benefit payments (VA, Railroad). Benefit checks (other than those issued by State or Federal Governments) as documentation shall be acceptable provided the check shows the gross amount of benefit or a stub which shows deductions for medical insurance or any recoupment or other deductions by the directing agency.

6. The Unemployment Insurance Award letter or payment stubs, reflecting the weekly amount and the effective date of payments shall be required from those receiving unemployment insurance.

7. Anticipated salary plus unemployment benefits received during the year shall be used to project an anticipated annual income if the applicant is working part-time and receiving unemployment benefits at the same time or other times during the year (such as seasonal work, or other sporadic work situations).

8. If applicable, a copy of the court order for alimony or child support payments shall be required. Should the applicant have a private arrangement with the other parent, third party verification will be mailed to the parent providing the payment. If third party verification is not received, a signed statement from the other parent will be acceptable. Other acceptable verification would be a confirmation letter from the Department of Social Services or any agency directing payments.

9. Verification of assets (savings and checking accounts) shall be provided by the applicant and shall include statements from bank officers, copies of actual passbooks, or monthly bank statements. Bank statements must be on bank letterhead and show the balance(s) of each account and the interest to the latest quarter.

10. Other asset verification (stock, bonds, dividends, real estate, life insurance policies) shall be verified by statements from the appropriate business or copies of the actual documents. Additional information may include tax forms (IT-200), copies of dividend checks paid to the applicant, and/or accountant statements.

11. Any other income verification shall be documented using a type of release form appropriate to the information required.

If the agency should receive a report that all or some of the income sources are incorrect or have not been reported by the applicant, the agency shall verify the information either verbally or in writing, or nullify the allegations after appropriate checks are made. The applicant, in most cases, shall be placed with the burden of proof.

FAMILY SIZE AND DEDUCTIONS

The unit size designated on the Voucher, Statement of Family Responsibility and relevant HUD forms shall be determined by the staff based on the following items.

Family, for purposes of eligibility and subsidy determination is defined as either a single person or a group of persons and includes two or more individuals residing together in a stable relationship. A stable relationship is defined as either marriage or two adults who have shared living quarters for a minimum of one year.

Single pregnant women or anyone in the process of securing legal custody of an individual who has not yet attained the age of 18 years shall be considered a family upon the submittal of acceptable verification. Acceptable verification shall consist of a medical professional's confirmation of the pregnancy or a legal professional's statement regarding the reasonable likelihood of success in securing legal custody of a minor.

Eligible minors must have a parent or responsible adult co-sign before they are allowed to participate in the program.

A currently assisted, low-income family will be considered "continuously assisted" for the purpose of allowing the family to remain on the program and move from one unit to another.

Applicants shall be required to submit birth or baptismal certificates, school census verification cards or other appropriate forms of identification verifying birth and/or relationship to any other family member for the determination of deductions and proof of family size.

A family member will be considered temporarily absent if out of the house for six (6) months or less.

An applicant who is either a single pregnant female or in the process of securing custody of a child will not benefit from the dependent allowance until such time as the child is born or legal custody takes place. After admission, should the pregnancy terminate or legal custody not occur, the individual may continue on the program as the remaining family member under the existing lease.

In situations where the head of household no longer resides in the unit and the remaining family member is under 18 years of age, a guardian will be required to co-sign a lease when the landlord requests such co-signature.

Other information that may be required shall include:

1. Marriage certificates if both spouses are listed on the application.
2. Statement of child care payments or proof of babysitting fees paid by the applicant.

3. Any medical bills not covered by insurance that the family is paying for the year in which the person is applying or recertifying. Bills shall include premium payments for medical insurance that is either deducted automatically from a benefit or pay check or the applicant is paying directly.

4. Any other information shall be requested where applicable to the determination of allowable deductions and/or verification of family size.

DENIAL OF ASSISTANCE

Assistance must be denied to a family when:

- eligibility criteria is not met;
- any adult family member refuses to sign or submit required forms;
- any family member has been convicted of manufacturing or producing methamphetamine (speed) on the premises of any assisted housing property;
- any family member is subject to a lifetime registration requirement under a state sex offender registration program.

RACB will also deny assistance when:

- any family member has committed fraud, bribery or other corrupt or criminal acts related to federal housing programs;
- the family owes money to the agency.

SUBSIDY STANDARDS

Bedroom size assignments will be made in accordance with the standards listed below. Generally size assignments shall allow two (2) adults, in a stable relationship to occupy the same bedroom. Otherwise, size assignment shall require the two persons of the opposite sex may not occupy the same bedroom. Exceptions to the subsidy standards must be approved by a supervisory staff member.

Voucher Size	Minimum Number of Persons	Maximum Number of Persons
1	1	2
2	1	4
3	3	6
4	5	8
5	7	10
6	9	12

Multi-generational family members of the same sex are not required to share the same bedroom. For example, a mother, daughter and granddaughter may be allocated a three (3) bedroom subsidy.

Where medical reasons are certified, special assignments shall be made for additional bedroom space. No special provisions shall be made for live-in attendants with children.

If the family is unable to locate the appropriate sized unit, the family may select a smaller unit. The smaller unit must be deemed of enough size and space for use as an additional sleeping area. This determination will be made during the inspection.

PAYMENT STANDARDS

Payment standards will be set at the Fair Market Rent until such time as at least 25% of applicant families are unable to find a unit due to a rent burden. RACB will monitor rents in low poverty areas to ensure the greatest number of opportunities for participating families.

MINIMUM RENT

All families are expected to contribute at least \$50.00 a month in rent. Any requests for an exemption must be made in writing and detail why the rental amount is a hardship. The caseworker may determine if the exemption is granted

BRIEFINGS

Initial interviews shall be conducted on an individual basis. Once a family is determined eligible, they shall be required to attend a Briefing Session. The intent of the Briefing is to provide a more thorough introduction to and explanation of the Section 8 Program. Voucher Briefings shall be done in groups. Individual Briefings shall be held for families participating in the Moderate Rehabilitation Program and for those unable to attend scheduled group Briefings.

Housing Choice Vouchers

Families will be informed at all Briefings that RACB generally prohibits more than one move by a family during any one year period.

Briefings shall include an explanation of both general and program specific required topics. They shall also explain agency policies such as:

- extensions, expirations;
- landlord listings;
- inspection procedures;
- information provided to landlords about the family.

The Briefing shall also include a discussion of recognizing discrimination and the Briefing package will contain a Discrimination Complaint form.

Attendance at a Briefing Session shall be required of every family receiving subsidy when there is a change of subsidy or upon initial participation. Generally, attendance at a Briefing Session will be required when a family wishes to relocate.

When a Voucher is issued, the family will be advised to report to this office periodically to keep us up to date on their status. After forty-five (45) days, all Voucher holders who have not submitted a Request for Tenancy Approval shall be sent a notice reminding them of the expiration date of the Voucher. The letter shall also remind the Voucher holder of the extension procedure and the documentation required.

Statement of Family Responsibility-Moderate Rehabilitation Program

A family's eligibility for the program shall be determined upon selection by the landlord. The Briefing shall include both general and program specific requirements. The following shall also be included:

- The family agrees to move to a properly sized Moderate Rehabilitation unit should the agency determine that the family size requires a smaller or larger unit. The family shall be notified and given the option of selecting one unit from at least three (3) appropriately sized units as they become available. The family shall be expected to select one of the three (3) units.
- Should the family refuse to accept any of the units offered, and they are occupying a unit which is too large for them, RACB will offer them a form of assistance which will allow them to relocate. If the family refuses to relocate, their assistance shall terminate.

EXTENSION/EXPIRATION OF VOUCHERS

If a Request for Tenancy Approval (RTA) is not submitted within the allowable sixty (60) days, the family may be granted an extension. The family must request the extension. In addition to the request, RACB will consider the following in granting or denying an extension:

- documented attempts of the search for housing;
- extenuating circumstances, such as a death in the family or illness, which prevented the family from finding a unit;
- whether or not the family submitted RTA(s) which were not approved;
- whether family size or other special requirements made finding a unit difficult.

In general, the maximum time allowed to submit an acceptable RTA will be no more than 120 days. However, an additional 30 days may be allowed to accommodate a family:

- with a disabled member of the household;
- that has been subjected to discrimination;
- seeking to relocate on a low-poverty area;
- with other special needs.

An applicant family that does not submit an RTA will forfeit their assistance. These families will be given the option of being placed at the end of the Waiting List.

A participating family that does not submit an RTA may forfeit their assistance under certain circumstances, such as: the family no longer resides in the unit under contract or the HAP contract has been terminated. The family will be allowed to request an Informal Hearing if assistance is terminated.

The agency's decision to refuse an extension is not subject matter for either a review or hearing. RACB will not suspend or toll the term of the Voucher.

YEARLY CERTIFICATION OF ELIGIBILITY

A participating family is required to recertify eligibility for assistance at least once a year. Verification of current income, assets and family composition is required. After a family is admitted to the program, RACB utilizes the Enterprise Income Verification (EIV) system to:

- verify income sources and amounts from wages, unemployment, Social Security and Supplemental Security Income;
- confirm names, dates of birth and social security numbers; and
- confirm participation in only one rental assistance program.

New admissions will be verified through the EIV system within 90 days of admission. Annual recertifications will include the use of the EIV system to confirm reported information. Where the EIV report and the reported tenant information is current and consistent, no further third party verification will be required. Where further verification is required, the procedures outlined under **“ELIGIBILITY AND RENT CALCULATIONS”** shall apply.

The anniversary date of the lease-up shall be used as long as the family remains in a given unit. When the family relocates, the recertification date shall be changed to coincide with the new lease-up date. Notices of recertification shall be mailed approximately four (4) months prior to the recertification date.

Interim recertifications, upon request of the tenant, shall be accomplished at any time during the year. The date of the recertification shall not change. Any changes in sources of income must be reported whenever they occur. The exception to this policy is persons with incomes which are annualized on a one year basis but actually work less than that, such as Board of Education employees.

A decrease in family income which results in a lower Total Tenant Payment (TTP) shall be effective on the first day of the month following the recertification. Where a change in reported income results in an increased TTP, the increase shall occur the first day of the month, with at least thirty (30) days prior notice to the family and owner.

A family that reports no income shall be required to report monthly to execute a Zero Income Statement. Failure to report may result in termination of assistance. If terminated, the family will have a right to an Informal Hearing.

At the time participant recertification notices are sent, landlords will also be notified that may request an Annual Adjustment to the HAP Contract.

A family member that has experienced the need to have a Social Security number changed is expected to report that change immediately.

UTILITY ALLOWANCES

RACB mails utility reimbursements directly to either the natural gas or electric utility provider on behalf of the participant. The utility company will bill the participant for any balance due on the individual account.

REQUEST FOR TENANCY APPROVAL (RTA) PROCESSING

A Request for Tenancy Approval (RTA) must contain either the owner's Social Security Number or the Employer Identification Number to be processed. No inspections will be scheduled until such time and the RTA is complete.

FAMILY BREAK-UP

When an assisted family breaks up due to divorce or separation, RACB will determine who will continue to receive assistance. Each situation will be evaluated individually but the decision will be based on the following priorities:

- The interest of minor children or of ill, elderly or disabled family members;
- Abuse, either actual or threatened, by a spouse or other member of the household;
- Family members remaining in the unit;
- Other factors unique to a given situation.

In all cases the Head of Household must be over 18 years of age. The decision regarding who will receive assistance will be made by the caseworker and either the Executive Director or Deputy Director. Substantiating documentation, such as order of protection will be utilized where appropriate.

LEASES

The participant and potential landlord must submit an executed Request for Tenancy Approval (RTA). Owner provided leases must be submitted with the RTA and reviewed prior to the execution of a HAP contract. Any provision that is either not in compliance with program regulations or contains any illegal provisions shall be struck from the lease or voided when the "Tenancy Addendum" is executed and becomes part of the owner lease.

All leases/addendum must contain the following:

1. Names of owner and tenant, location of the unit;
2. Term of the lease;
3. Termination of the lease provisions;
4. Amount of tenant rent and effective date of the lease;
5. Signature and date of execution by tenant and landlord.

The lease/addendum may also contain:

1. Any special provisions such as pet restrictions or special services;
2. Any other clause(s) not prohibited by the rules and regulations of the program.

RENT REASONABLENESS

RACB will conduct Rent Reasonableness determinations in accordance with HUD requirements. Rent reasonableness will be done by comparing an assisted or potentially assisted unit to unassisted units in the same area. A Rent Reasonableness log will be maintained for this purpose.

The Rent Reasonableness log contains a separate entry for each unassisted unit. Information on the unassisted units is obtained from owners who submit an "Available Unit" listing to RACB. Owners submit information on the size, location, amenities, utility mix, rent and services connected with a particular unit. This information is transposed to the Rent Reasonableness form.

RACB's Housing Quality Standards (HQS) Inspection Book and procedure is designed to allow for a on-site rent reasonableness determination. The HQS Book requires the number of bedrooms, zip code, contract rent, utility mix, and amenities contained in the unit. The inspector records the required information.

The assisted unit can then be compared to three (3) unassisted units from the Rent Reasonableness log. The rent of the assisted unit will be considered reasonable if the Gross Rent of the three comparable unassisted unit is approximately equal to the Gross Rent of the assisted unit.

A family will be informed when a unit does not meet the Rent Reasonableness criteria and the caseworker is unable to negotiate a reasonable rent with the owner.

- A family remaining in their current unit shall not be penalized. However, no adjustments shall be made to the HAP contract.
- A family attempting to relocate or in the process of an initial lease-up, shall be informed they must continue to search for a unit.

EFFECTIVE DATES

No lease shall be effective prior to the date the unit met Housing Quality Standards. (See **INSPECTIONS** - Lease Approval Procedures)

DISAPPROVAL OF AN OWNER

RACB may deny approval to lease a unit from an owner for any of the following reasons:

1. The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 14371);
2. The owner has committed fraud, bribery (including the acceptance of side payments from tenants) or any other corrupt or criminal act in connection with any federal housing program;
3. The owner has engaged in drug-trafficking;
4. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs; or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any federal housing program;
5. The owner has a history or practice of renting units that failed to meet State or local housing codes; or
6. The owner has not paid State or local real estate taxes, fines or assessments.

For purposes of this section "owner" includes a principal or other interested party. RACB may require a prospective owner to disclose ownership information to determine if the owner should be approved or not.

INSPECTIONS

Inspections shall be based upon HUD Housing Quality Standards (HQS) for acceptability. When HUD or RACB amends the HQS, changes will apply to all units, regardless of the effective date of the Housing Assistance Payments Contract.

ADDITIONS TO HQS

1. A minimum of a 70 degrees F. must be maintained in all living areas of the unit.
2. All areas containing fuel burning devices (i.e. hot water tanks, heating systems) must have smoke detectors. When a waiver of this requirement is requested, documented concurrence or acceptability will be required from a municipal code inspector.
3. Exposed, removable hinge pins on a unit entry door must be replaced with permanent hinge pins, security hinges, or other approved security methods.
4. Other agencies and/or individuals may be included in on inspection reports to support and/or qualify violations. These include, but are not limited to: Erie County Health Department; utility companies; municipal inspectors and/or fire departments.
5. A unit must be either occupied by the family who submitted the RTA or vacant for an inspection to be conducted.
6. Waivers due to climatic conditions which prevent repairs from being made must be approved by administrative personnel.
7. Double keyed locks are prohibited.
8. Electrical devices within two (2) feet of a water source must be either of a GFI design or terminated. Over-fused wiring must be eliminated by utilizing no higher than 20 amp fuses in electrical panels. Non-working outlets must be made operational or properly terminated. All splices must be made in a Fire Underwriters approved, covered electrical junction box. Unused electrical panel knockout/spaces must be covered to eliminate exposed electrical connections.
9. If the agency is officially notified of the presence of asbestos or radon gas in a unit, such presence shall be considered a violation until Erie County Health Department verifies elimination.
10. Hot Water Heaters located above a living space must have a catch pan beneath the heater. The pan must drain in accordance with local codes.

PRIORITIES

Inspections will be scheduled according to the following priorities and all will be conducted within a reasonable time:

1. Damage/maintenance
2. First housed/relocation
3. Reinspections
4. Annual

A specific period of time shall be allowed to complete repairs for units that fail to meet HQS. The severity of the deficiency shall determine the time allowed for repairs. Life-threatening violations must be corrected within 24 hours. For all other repairs, up to thirty (30) days from the date the owner is notified shall be the time allowed to make repairs. (See Abatement of Housing Assistance Payments for procedures to be followed when repairs are not made within specified time frames.)

RACB will send a letter to the owner following an inspection with a list of HQS violations. The owner must call RACB to request a reinspection to verify the repairs were completed. The inspection must generally take place within thirty (30) days of the previous inspection.

LEASE APPROVAL PROCEDURES

Upon receipt of an acceptable RTA, an inspection will be scheduled. After the first inspection, the prospective landlord must call RACB within two (2) weeks to schedule a reinspection. If the owner fails to call within thirty (30) days, the tenant may be told to search for another unit. If the owner calls and the unit does not meet HQS for the second time, the tenant will generally be told to search for another unit.

When the initial inspection cannot be completed because no one was present to allow the inspection, the owner will be sent a letter instructing him/her to call us within fourteen (14) days to reschedule the inspection. If there is no call, the family will be told to submit another RTA.

When the unit meets HQS, the effective date of the Housing Assistance Payments Contract shall be either:

- the first day of the upcoming month; or
- the fifteenth day of the current month.

ABATEMENT OF HOUSING ASSISTANCE PAYMENTS

If the owner does not call within the specified time period, housing assistance payments will be abated on the first day of the following month (i.e., if the owner was required to call and schedule a reinspection on or before June 26th but did not do so, the assistance payments will be abated on July 1st).

The owner must correct every HQS violation cited in the original inspection report. Should the owner call and schedule a reinspection, and all of the items cited in the original report are not corrected, RACB may abate the assistance payments on the first day of the following month.

Once housing assistance payments have been abated, the owner must call RACB within a specified time frame, generally thirty (30) days, to schedule an inspection. If the owner does not call RACB within the specified time period, the HAP Contract will generally be terminated.

If the owner does call RACB within the specified time period and RACB conducts a second inspection (third in a series) but all of the cited HQS violations have not been corrected, the HAP Contract may be terminated.

A unit may go into abatement when no one is present to allow the inspector access to a unit. The failure to be able to inspect a unit may be considered a failed inspection.

A unit will come out of abatement when an inspection verified the deficiencies have been corrected.

LEAD PAINT

Effective January 1, 2005 the following policy will apply.

RACB will deny participation to a unit that has been terminated or previously denied participation because the owner failed to comply with the lead paint requirements. A family will be asked to relocate or find another unit when the unit is denied participation.

RACB will maintain a list of units terminated or denied because of lead paint violations. Another family, subject to lead paint requirements, may submit a Request for Tenancy Approval for one of the listed units. However, RACB will not inspect the selected unit until such time as the landlord submits, at his own expense, a clearance test report. The clearance test must be from an acceptable agency or agent and must include all rooms within the living space. If the attic and basement are to be accessible to the tenant, they must also be included. The clearance test must show that all areas tested do not exceed the HUD proscribed lead dust level thresholds.

If the clearance test is acceptable, RACB will then conduct an inspection. RACB's inspection procedures will then be followed, including another clearance test if defective surfaces are found in the unit.

FAMILY OBLIGATIONS - HQS VIOLATIONS

RACB may exercise its right to terminate housing assistance to a family because of HQS violations caused during the family's tenancy.

When an HQS violation has been identified as a family responsibility, the head of household will be notified of the need to correct the deficiency. The head of household, or other adult member of the household, must call RACB within a specified time frame, generally thirty (30) days, to report the correction of the violation. RACB will schedule a reinspection when notified by the family of the completion of repairs.

If the family does not call within the specified time, or if the reinspection indicates the tenant responsible HQS violations have not been corrected, the family will be sent a notice that RACB intends to terminate their assistance. The notice will inform the family that they must call RACB within a specified time, generally fourteen (14) days to report the correction of the violations.

RACB will schedule a second reinspection when informed by the family of the completion of the repair.

Should the family fail to call within the specified time frame or if the tenant responsible HQS items are still not corrected following the second inspection (third in the series), the family will be terminated from the Section 8 program.

In general, assistance will be terminated where there is a history of disregard for family obligations or the violation is extremely serious or blatant in nature. The family will have a right to an Informal Hearing if terminated for HQS violations.

Assistance payments to a landlord will not be abated due to HQS violations which are tenant caused. However, if the tenant is denied further participation in the Section 8 program, the HAP Contract is terminated.

FAMILY OBLIGATIONS - NO ENTRIES

A family may be terminated from the Section 8 program if they do not allow the unit to be inspected to ensure compliance with HQS. RACB will consider the inability to inspect a unit because no one is present to provide access a failed inspection. A unit will also be considered as not meeting HQS because:

1. There is no one present who is eighteen (18) years of age or older;
2. Those present are abusive or belligerent to the inspector;
3. Those present are of questionable mental or physical condition;
4. An unusual number of people are present and the inspector has reason to doubt the safety of conducting an inspection;
5. There is any reason for the inspector to believe immediate departure from the unit is justified.

RENT REASONABLENESS

The inspection process will include sufficient information to allow a rent reasonableness determination for all units. Information on location, quality, size, type and age of the unit is used. In addition, any amenities, housing services, maintenance and utilities to be provided by the owner under the lease will be factors.

MODERATE REHABILITATION UNITS

RACB may exercise its right to reduce the number of units under contract where failure to correct HQS violations is considered a material breach of the contract.

However, where the HQS violations are the result of tenant action, or inaction, the tenant may be terminated for failing to comply with program regulations.

Should the circumstance arise that the tenant is terminated and the landlord refuses to evict, the agency may reduce the number of units under contract.

TERMINATIONS

SECTION 8 PARTICIPANT TERMINATIONS

RACB may terminate housing assistance to a family because of their actions or their failure to act. The termination of Section 8 assistance may be in the form of:

- refusal to enter into a HAP Contract;
- refusal to approve a lease;
- termination of the HAP Contract;
- refusal to process or provide assistance under portability procedures.

A family may not be absent from subsidized unit for more than 180 consecutive days. A family may be terminated if the absence is less than that period and there is reason to believe the family is no longer in residence. The family may be determined absent if any of the following occur:

- an inspection reveals no one living in the unit;
- letters to the family are returned by the Post Office;
- phone numbers are not operational;
- landlord or others report an absent family.

It will be up to the family to verify that they are residing in the unit by countering any factors used to make the determination the family was absent.

RACB will also terminate assistance to a family when information is received and verified that any family member:

- has been convicted of manufacturing or producing methamphetamine (speed) on the premises of any assisted housing property;
- is subject to a lifetime registration requirement under a state sex offender registration program.

TERMINATION OR REDUCTION OF HOUSING ASSISTANCE PAYMENTS CONTRACTS

The following policies shall apply when housing assistance payments have been abated for failure to meet Housing Quality Standards.

Voucher Program - The agency shall exercise its right to terminate a HAP Contract when owner HQS violations remain uncorrected after the time specified on the abatement notice.

Upon determination that the contract shall terminate, both tenant and landlord shall be notified. The tenant shall be issued a Voucher to relocate and the termination shall be effective within either sixty (60) days or when the tenant vacates the unit, whichever comes first.

In the event the tenant elects not to relocate and submits an RTA, the unit shall be treated as an initial unit. Housing assistance payments shall not be instituted until such time as paperwork relating to a new unit is completed.

If the HQS violations are tenant caused, the tenant may be terminated from the Section 8 program for failing to comply with the terms of the subsidy. In that event, the HAP contract is void.

Moderate Rehabilitation Programs - The agency may exercise its right to reduce the number of units under contract where failure to correct HQS are considered a material breach of the contract.

However, where the HQS violations are the result of tenant action, or inaction, the tenant may be terminated for failing to comply with program regulations.

Where the abatement is the result of tenant action and the tenant refuses to vacate and the landlord refuses to evict, the agency may reduce the number of units under contract.

DISPUTE RESOLUTION

The purpose of an Informal Review or Informal Hearing is to:

1. resolve disputes without legal action;
2. correct programmatic/administrative errors;
3. respond to a claim that a law or rule has been incorrectly applied.

An applicant for Section 8 Assistance is entitled to an Informal Review. Once a Housing Assistance Payment Contract is executed on behalf of a family, the family is entitled to an Informal Hearing.

Complaints which do not fall under the guidelines for reviews/hearings may be handled in the same manner at the discretion of administrative personnel.

The agency shall, where possible, notify families within ten (10) working days of a decision which may provide grounds for a hearing/review. The notice shall state:

1. the decision;
2. the reason for the decision;
3. the right to a review/hearing;
4. the request for a review/hearing must be submitted, in writing, within ten (10) working days of the notice.

Reviews/hearings shall be conducted by someone other than the person who made or approved the decision or a subordinate of that person. The person who conducts the review/hearing shall regulate the conduct of the proceedings.

The family shall have the opportunity to examine the documents directly relevant to the hearing.

The family may be represented by counsel, or other representatives, at their own expense. The family may present written or oral objections to the decision. The agency and the family shall be given the opportunity to present evidence and question representatives. The agency must be allowed to copy, at RACB's expense, family document/evidence. If the family does not make the documents available, the family may not rely on the document at the hearing.

Evidence may be considered without regard to admissibility under the rules of evidence applicable in judicial proceedings.

The person who conducts the review/hearing shall issue a written decisions to the family within ten (10) working days, stating the reason(s) for the decision. Determinations relating to individual circumstances shall be based on the evidence presented.

All requests for a hearing/review, supporting documentation, and a copy of the final decision shall be retained in the family's file.

REPAYMENT AGREEMENTS

Repayment agreements may be offered to participants who have failed to report income, in an attempt to recover excessive housing assistance payments. Tenants who enter into an agreement are expected to keep up to date with their payments.

When a payment is late, the tenant will be sent an Intent to Terminate Notice. Termination, with the right to an Informal Hearing, will take place if payment is not received promptly.

Thereafter, no Intent to Terminate notice will be mailed. A tenant who falls behind a second time will be notified of their termination and right to a hearing.

Damage/Vacancy Claims

Where the agency pays a claim on behalf of a participant (including a claim on behalf of an evicted family and the eviction is not cause for termination) repayment shall be expected. We shall request the participant to enter into a repayment agreement with the agency. Generally, we shall expect the claim to be repaid within a one year period.

Failure to reimburse the agency for claims paid on the participant's behalf shall be grounds for termination from the program where a repayment agreement was executed and not honored.

If the participant refuses to sign a repayment agreement, the agency shall not terminate housing assistance. However, the agency may exercise its right to deny the participant a Voucher to relocate. If the participant did not sign a repayment agreement, the agency shall expect a payment equal to one third of the claim amount and the execution of a repayment agreement for the balance.

When a family does sign a repayment agreement:

- and payments have been consistent, there is no need for further payments before they move;
- and payments have not been current or consistent, they have to pay the full amount owed before they will be allowed to move. They will not be allowed to "make-up" back payments. They will be expected to pay the full amount of the claim. This policy includes families who are being evicted.

Social Security

When RACB becomes aware of the fact that a family received Social Security and did not report the income, the family will be contacted. Once RACB is satisfied that the information regarding the income is correct, the family will be expected to sign a repayment agreement. If they do not agree to repay the amount determined by RACB, their assistance will be terminated.

MODERATE REHABILITATION PROGRAM

SINGLE ROOM OCCUPANCY PROVISIONS

RACB will administer a Single Room Occupancy (SRO) Moderate Rehabilitation project owned by Housing Enterprise for the Less Privileged (H.E.L.P.) Buffalo located at 384 Broadway. H.E.L.P. will be the responsible organization for the provision of any supportive services required for the occupants of the building.

Population to be Served

Very low income, homeless adults living apart from other family members are eligible for housing provided under the Section 8 Moderate Rehabilitation SRO Program. SRO's are permanent housing suitable for adults who have been homeless perhaps due to psychiatric diagnosis, physical disability, or other reasons, but who are able to live relatively independently with minimal supportive services. Tenants will be screened in order to evaluate their potential to manage daily personal and household tasks such as grooming, housekeeping and meal preparation with little or no assistance.

Potential residents must have no history of substance abuse or a demonstrated commitment to clean and sober living. Residents who have completed treatment programs will be given priority.

Referral Plan

Residents will be referred to H.E.L.P. from City shelters, transitional housing, and other community service providers. H.E.L.P. will refer those applicants to RACB to determine their Section 8 eligibility and monthly TTP.

Erie County has several emergency shelters which are identified by eligibility criteria. Some of those shelters serve people who will be eligible for housing in the SRO: adult men and women, older youth, developmentally disabled and mentally ill adults and people with histories of substance abuse.

In addition, the City of Buffalo had a Home Finder Office which is a cooperative computer network of housing resources. This resource is available and represents local housing and service agencies, and will be an effective referral source for the Buffalo Downtown SRO.

Other sources will include Crisis Services, Inc. which operates the Outreach to the Homeless and the Street Homeless and the Street Homeless Outreach Project (SHOP), in addition to an 24 hour crisis intervention hotline. The existing network of services providers that offer on and off site assistance to neighborhood shelters will be an important source of referrals.

This partnership ensures that homeless persons can continue to access the services after they leave the shelter, as well as provides excellent follow-up to ensure that clients are receiving the appropriate services.

Funding from HUD Innovative Homeless Initiatives Demonstration Program supported the establishment of a computer network to link all these services, thus increasing the effectiveness of referrals.

HOMEOWNERSHIP PROGRAM

The program will offer a new option for families that receive Section 8 tenant-based assistance – homeownership. The mission of this program is to expand housing opportunities for Section 8 tenants by providing homeownership possibilities in conjunction with self-sufficiency training and support.

The goal is to facilitate a successful transition to homeownership while establishing parameters in an attempt to minimize defaults that ultimately have a negative impact on both the family and the community.

Partners

In order to effectively develop and facilitate the Homeownership Program (HOP), RACB will seek to partner with Buffalo Neighborhood Housing Services (NHS). Buffalo NHS operates the HomeOwnership Center, which is a collaboration of not-for-profit community-based organizations with 20 years of local experience.

The HomeOwnership Center brings together all of NHS's products and services in a convenient, one-stop location. The HomeOwnership Center offers a variety of pre and post-purchase counseling services for first time, low to moderate income homebuyers; its staff is certified in homebuyer education. RACB and the Buffalo NHS will establish a Memo of Understanding (MOU) detailing the responsibilities of each group in the implementation and administration of the program.

In an effort to expand opportunities and improve the success rate of the program, RACB will consider a certificate of completion from other area HUD approved counseling agencies (those not falling under the umbrella of the HomeOwnership Center). In this way, HOP participants will not be limited in their choices; they will have access to all approved housing counseling agencies. This will afford them the opportunity to choose the agency that best suits their needs, providing access to available resources, subsidies, and grants.

RACB will also expand upon its existing relationships with community agencies, which are currently providing services to Family Self-Sufficiency (FSS) participants.

Program Targets

This program will provide assistance for first-time homebuyers as defined by HUD policy (no ownership interest, such as title to a residence for the previous three years). Due to time constraints this assistance may only be used to purchase existing housing; units under construction will not be considered.

Eligibility

Initially, the Homeownership Program will be offered to current Section 8 participants who are enrolled in the Family Self-Sufficiency Program (with the exception of elderly and disabled, both protected classes, which are exempted from the FSS requirement). FSS participants must be actively completing their goals which, if interested in applying for the Homeownership Program, would include establishing an FSS escrow account.

FSS/HOP participants may be allowed to use monies established in their escrow account to clear credit items, and pay a percentage of the down payment. By coupling HOP with the support services of the FSS program, the expectation is that we will be providing participants with the best opportunity at a successful transition to homeownership. In the initial year, HOP will limit enrollment to 10 – 15 families.

Families must demonstrate that the monthly gross income of the head of household and spouse/partner, if applicable, is sufficient to meet homeownership and other family expenses to initially qualify for the program. RACB has opted to set a minimum annual income of \$15,000 for HOP applicant families, or they must have lived on non-welfare income at a level at least two times the Voucher Payment Standard for the unit size they are entitled. Welfare Assistance will not be considered when qualifying for the minimum income requirement, except for elderly and disabled families.

A family, which does not meet RACB's minimum income level but would otherwise qualify for homeownership assistance, may be accepted provided the family obtains bank pre-approval for a loan and meets HUD's minimum of \$10,300. No previous default on a mortgage obtained through the HOP may have occurred. The family must also demonstrate that one or more adult members of the family who will own the home (at commencement of homeownership assistance) is currently employed on a full time basis (as defined in HUD policy with the exception of elderly or disabled families), and has been continuously employed during the year before commencement of HOP assistance. For disabled families, the family must first obtain bank pre-approval for a mortgage loan and the income must not be less than the monthly Federal SSI Benefit for an individual living alone multiplied by 12.

All families must be in good standing. This means, in addition to the above requirement, no outstanding debt to the agency, no history of complaints from landlords or late rent payments, and the pre-qualification recommendation from Buffalo NHS.

The family must attend and complete homeownership counseling provided by the HomeOwnership Center or other housing counseling agency in order to pre-qualify for the program.

Application

Families who indicate interest in the HOP will be briefed as to the program features/requirements and will have their eligibility determined by the HOP Review Committee. Families deemed eligible will execute a “Statement of Homeowner Obligations” with RACB and be given a timeline in which to complete activities prior to receiving assistance under HOP. Upon completion of the homeownership counseling, the timeline will begin.

- Participants will be given 180 days to complete homeownership: 90 days to search for housing and 90 days to secure financing and close on the property
- Participants may go over 120/180 days only if documentation is provided regarding sufficient efforts at completing the process. Participants must be far enough into the process to justify the extension (i.e. with a commitment letter, closing date, etc...)
- The 60/60 or 90/90 days will begin upon completion of a Home Buyers Class.

Participants will be entitled to an Informal Hearing upon being denied HOP assistance due to the failure to meet established deadlines.

If a participant reaches 120 or 180 days with no proof of “process completion”, he/she will be offered a Housing Choice Voucher and will not be able to re-apply for the HOP for a period of at least one year.

Program Requirements

Once a participant in RACB’s Homeownership Program, requirements for continuation of assistance are as follows:

- the family must reside in the home purchased;
- the family must comply with the terms of the mortgage;
- the family must attend and complete post-purchase counseling;
- the family must complete all RACB reporting requirements.

Homeownership assistance will be limited to a maximum of fifteen (15) years if the initial mortgage term is 20 years or longer. In all other cases, the maximum term of homeownership assistance is ten (10) years. Exempt from the limitations will be elderly and disabled families.

RACB will strongly encourage, and list as an FSS goal, the establishment of a personal savings account. The purpose of the savings account will be to generate a reserve fund to cover replacement/repair needs. Families may also utilize the escrow account for major items or repairs. If a family defaults on the home mortgage, the family will not be eligible to receive a rental voucher. Families in this instance will have to re-apply to the Section 8 Waiting List.

Financial Structure

Although the applicant family is responsible for securing its own financing, RACB's HOP Review Committee will reserve the right in each instance to determine whether the family can or cannot afford the proposed financing. In order to protect the applicant family, RACB will prohibit any financing which includes balloon payments, variable interest rates, or private seller financing.

A requirement that the maximum interest rate be no more than one percentage point above the current Fannie Mae ninety day delivery note rate, will also provide structure to the financing arrangement. The HOP review team will review each situation on a case-by-case basis. 45

Inspections

In accordance with HUD policy, RACB will conduct an initial Housing Quality Standards (HQS) inspection. The HQS inspection will be performed as early as possible in the process, so that RACB's inspectors may advise participants of potential problems with the home. It is intended that the early inspection would allow the participant to make an informed decision, whether or not to proceed with that particular unit and pay for a professional independent home inspector, or to continue their search.

The final rule requires an independent professional home inspection, paid by the family, to identify physical defects, and inspect the condition of the major building systems and components. Such inspection will require the independent inspector to compile a list of items that are likely to need repair or replacement within the subsequent five-year period. A copy of the independent inspection report must be given to RACB. RACB and the family must determine if any pre-purchase repairs are necessary.

PROJECT BASED VOUCHER PROGRAM

Note: This addendum describes the policies and procedures that apply to the project-based voucher program. Except as specified here, all program activities will be conducted in accordance with the Section 8 Administrative Plan of the Rental Assistance Corporation of Buffalo.

All of the following applies to units selected for inclusion in the project-based voucher program for existing housing. Additional requirements for the project-based voucher program for newly constructed or rehabilitated units are marked with an asterisk(*).

Consistency with Agency Plan

In accordance with RACB's Annual and Administrative Plans, project-based vouchers will be used to:

- expand housing opportunities in low-poverty areas for families with children, and
- expand housing opportunities for elderly and/or disabled families.

Project-based Voucher Programs

RACB will administer project-based voucher programs for existing housing and for newly constructed or rehabilitated housing. "Existing housing" is defined as housing that requires less than \$1,000 per unit in repairs necessary to meet Housing Quality Standards. RACB generally anticipates that these units can be brought into compliance with HQS within 30 days. "Rehabilitated housing" is defined as housing that requires repairs totaling \$1,000 or more per unit in order to meet HQS. Repair costs for existing and rehabilitated housing include the pro-rata share of repairs to common areas and systems.

Unit Selection

A. Request for Proposals.

RACB will issue a written Request for Proposals (RFP) for each round of project-based vouchers to be awarded. The RFP will contain information about:

- RACB's goals for the use of the vouchers;
- The number of vouchers available;
- The type of housing to be used (existing housing or new construction/rehabilitation);
- Timeframes for completion of necessary repairs, rehabilitation and/or construction;
- Proposal selection criteria;
- Materials to be submitted;
- The deadline for proposals; and
- The date of the pre-proposal conference.

- B. **Advertisement**
For each round of project-based voucher proposals, RACB will advertise the availability of project-based voucher assistance in the Buffalo News. The advertisement will contain information about the number of vouchers available, the selection criteria, the deadline for applications, how to obtain the RFP packet, and the date of the pre-proposal conference. The advertisement will run once a week for three weeks. Proposals will be due at least thirty days after the last date that the advertisement is run.
- C. **Pre-Proposal Conference**
A pre-proposal conference for prospective proposers will be held after the last advertisement is run. The conference will provide proposers with an opportunity to learn more about the project-based voucher program, and to ask any questions they may have about the application process. Questions that cannot be answered at the conference will be answered in writing. The answers will be sent to all attendees and to other proposers upon request.
- D. **Questions**
RACB will accept questions by telephone, fax, or mail up to the date of the pre-proposal conference. Answers to written questions will be included with answers to questions asked at the pre-proposal conference, and will be sent to all proposers upon request. At any time prior to the proposal deadline, RACB will provide information to prospective proposers regarding the poverty rates for census tracts in which proposed units are located.
- E. **Proposal Submission**
Proposals must be received by RACB no later than the date and time specified in the RFP. Proposals may be mailed, sent by a private delivery service, or hand-delivered to RACB's offices. Proposals submitted via fax or e-mail will not be accepted.
- F. **Initial Review**
Within three working days of the proposal deadline, RACB will review all proposals to determine whether proposed units meet the minimum standards under the applicable RFP.
1. For proposals submitted in response to an RFP for units in low-poverty census tracts, RACB will determine whether the units are in census tracts with poverty rates below 20 percent. This information will be verified using the TIGER Census Tract Street Locator and tract "Profiles" at www.census.gov.
 2. For all proposals, RACB will determine whether the unit sizes proposed are consistent with the RFP.
 3. For proposals submitted in response to an RFP setting forth other requirements, such as provisions for accessibility and/or supportive services for elderly and/or disabled families, RACB will determine whether the proposer has addressed these requirements.

Proposers whose proposals are rejected at the initial review stage will be notified in writing of the reason(s) for the rejections. If a proposal covers both eligible and ineligible

units, the proposer will be notified which units have been rejected, and will be asked to advise RACB whether the remaining units would be considered. Proposers will not have the option to substitute additional units for ineligible units included on the initial proposal.

G. HQS Inspections

All proposed units will be inspected for compliance with HUD's Housing Quality Standards. Deficiencies will be recorded on an Inspection Report Form HUD 52580-a. Based on the number and severity of the deficiencies in each unit, the inspector will make a determination as to the approximate per unit cost for repairs.

To qualify as existing housing, units must require less than \$1,000 in repairs to meet HQS. The per-unit cost includes the pro-rata cost of repairs to common areas or systems.

* To qualify as newly-constructed or rehabilitated housing, the per-unit cost for construction or repairs must equal or exceed \$1,000. The per-unit cost includes the pro-rata cost of repairs to common areas or systems.

H. Determining Reasonable Rents

When a proposer is requesting project-based assistance for 25% or less of the units in an existing building or development, RACB will review the proposed rents to determine whether they are reasonable. For units in multi-family buildings, or developments, rent paid by the unassisted tenants for comparable units on the same premises will be considered reasonable. For other rental units, RACB will compare the proposed rents with rents for comparable unassisted units in the market area. Unit location, size, age, condition, utilities and amenities and services provided by the owner will be considered.

If a proposer is requesting project-based assistance for more than 25% of the units in a building or project, RACB will have comparability analysis performed by a state-certified appraiser, in conformance with the requirements of 24 CFR 983.256 [c]. If RACB determines that the rent requested by the owner exceeds a reasonable rent for the unit, RACB will decide on a lower, reasonable rent to be proposed to the owner.

I. Affordability

RACB will not approve rents for project-based units that exceed 110% of the published Fair Market Rent. The statutory limit on the initial rent that a family can pay does not apply.

J. Selection Criteria

After unit inspections and determinations have been completed, RACB will determine the number of units potentially eligible. If the number of potentially eligible units exceeds the number of vouchers available under the RFP, proposals will be rated and ranked in accordance with the following selection criteria:

- Proposed Population
 - Senior 0 points
 - Family 10 points
- Unit Size
 - 2 bedrooms 0 points
 - 3 bedrooms 10 points
 - 4 bedrooms 20 points
 - 5+ bedrooms 30 points
- Median Income of Census Tract
 - Expressed as a % of Area Median Income (AMI)
 - Median greater than 90% of AMI 20 points
 - Median greater than 100% of AMI 40 points
 - Median greater than 110% of AMI 60 points

If a project contains a bedroom mix, RACB will determine the average number of bedrooms in the project and pro-rate the points: a 100-unit project with 50 two-bedroom units and 50 three-bedroom units will get 5 points on unit size.

K. Unit Selection

Units will be awarded in the order in which projects are ranked until all units are awarded. If the number of remaining units is insufficient to fully fund the last proposal selected, the owner will be given an offer of a HAP for fewer units than proposed.

L. Owner Notification

Owners of eligible units will be notified in writing of • the results of RACB's unit inspections; • the results of the rent review and the unit rent proposed by RACB; and • the number of the proposer's units that can be placed under HAP contract if all proposers agree to RACB's terms. Owners will be given 10 days to advise RACB whether they are in agreement with the terms proposed by RACB.

M. Final Offers

Based on owners' responses to the preliminary offers, additional offers will be made in the order in which proposals are ranked until all units have been awarded.

- N. Agreement to Enter into a Housing Assistance Payments (HAP) Contract.
For existing units, the owner will be advised that the repairs must be completed and the HAP contract executed within 45 days of selection. No Agreement to Enter Into A HAP Contract is needed.
- * For newly-constructed or rehabilitated units, RACB will execute an Agreement to Enter into a Housing Assistance Payments Contract. The Agreement will specify the units selected, the construction or repairs to be done, the time allowed for completion of the work, and the rents to be paid upon completion of the work and execution of the HAP.
- O. HAP Contract Execution
HAP contracts for all units accepted into the program must be executed within the timeframes established in the final notice of selection or the Agreement to Enter. If the selected units require repairs to comply with HQS, the units will be reinspected prior to contract execution to verify that all necessary repairs have been made.
- P. HAP Term
Unless the owner has requested a shorter term, the term of the HAP contract will be 10 years, subject to continued funding availability.

Tenant Selection

- A. Waiting List
RACB will maintain a single waiting list for its tenant-based voucher programs. At the time applications for assistance are taken or updated, RACB will inform applicants of the occasional availability of units receiving project-based assistance, and ask them to indicate whether they wish to be notified when vacancies occur. This information will be included with other pertinent applicant information on the waiting list.
- B. Owner Referrals
Owners of units under a project-based HAP contract may refer families interested in leasing the units to RACB for placement on the waiting list. These applications will be accepted whether the waiting list is currently open or closed. However, the families will be given no special preference, and will be selected in accordance with RACB's participant selection policies.
- C. Notice of Available Units
When a project-based unit becomes available, RACB will provide notice of the availability to current voucher holders and assisted families who are looking for new units. This notice will be included in any listings of available units and/or posted in RACB's offices. If the owner reports that there have been no inquiries within two weeks of the initial notice, RACB will contact families at the top of the waiting list who have indicated an interest in project-based assistance and require units of the appropriate size about availability of the unit.

- D. Preferences
A selection preference for accessible project-based units and/or project-based units providing supportive services will be given to elderly and/or disabled families requiring such modifications and/or services. All other provisions of RACB's participation selection plan will apply.
- E. Income Targeting
Families admitted to units with project-based assistance who have not previously received assistance from RACB or another PHA will be included in RACB's income targeting goals, which require that 75% of families admitted to the program annually be extremely low income families.

Ongoing Functions

- A. Rent Adjustments
Owners may request a rent increase at any time an increase is permitted under the lease. Notice of the proposed rent increase must be given to RACB. RACB will determine whether the increased rent is reasonable in comparison with similar units in the market area.
- B. Unit Inspections
All common areas and systems and a 25% sample of the assisted units in any project-based building or development will be inspected annually to confirm that the units are being maintained in compliance with HUD's Housing Quality Standards.
- C. Tenant Moves
Families who lease units receiving project-based assistance will be eligible to receive tenant-based vouchers after they have lived in the assisted unit for 12 months, and after giving the owner the notice of intent to vacate required under the lease. If there is no voucher available at the time the family wishes to move, the family will be eligible to receive the next voucher that becomes available.
- D. Tenant Evictions
Owners may evict families from units receiving project-based assistance for serious and/or repeated violations of the lease, including non-payment of the tenant rent and/or utilities, or willful or negligent damage to the unit. Families evicted for cause from units assisted under RACB's project-based voucher program will not be eligible to move with continued assistance.
- E. Vacancy Payments
During the time that a unit is vacant, the owner may receive vacancy payments provided that the vacancy was not caused by the owner and the owner has taken timely action to fill the unit. Vacancy payments are made for up to 60 days in an amount equal to RACB's HAP payment for the family vacating the unit. Vacancy payments will not be made for any period prior to the owner's notice to RACB that the unit is vacant.

F. Reductions in Assisted Units

If a project-based unit remains vacant for more than 120 days, despite the good-faith efforts of the owner and RACB to find a replacement tenant, RACB will remove the unit from the HAP contract and terminate its commitment to make any additional housing assistance payments for the balance of the HAP contract term.

G. HAP Contract Termination

RACB will terminate the project-based HAP contract for any owner who repeatedly fails to maintain the assisted units in compliance with HQS, or who repeatedly failed to take action against assisted or unassisted tenants who engage in violent and/or drug-related criminal activity.

EIV PROCEDURES

RACB will disclose to participants the use of UIV tools with an enclosure in re-examination notices. The disclosure will include the information that the agency utilizes both New York State Wage Information Collection Agency (SWICA) and the Tenant Assessment Sub-System (TASS) from the U.S Department of Housing and Urban Development (HUD).

Income discrepancies reported from EIV are compared to tenant files. Where the discrepancy is explained by information in the file (i.e. Board of Education annualization vs. actual quarterly income) it will be so noted. No further action will be taken.

Discrepancies that cannot be cleared after a file review will be subject to further action. For unreported income amounts less than \$2,400.00, the tenant will receive a letter regarding the discrepancy and reminding them of their obligation to report all changes in sources of income. No further action will be taken.

When the unreported income discrepancy exceeds \$2,400.00, RACB will attempt to obtain third party verification. RACB will also notify the tenant of the discrepancy. The notification will describe the discrepancy, advise the tenant of possible termination from the program and offer the opportunity to enter into a repayment agreement. There will be a specified time to respond to the notice, either by returning the repayment agreement or requesting a meeting to discuss the discrepancy.

If a meeting takes place and the discrepancy is not resolved, the tenant will be notified of the termination of housing assistance. The tenant will also have an opportunity to request an Informal Hearing.

In the event that RACB is unable to obtain third party verification, the tenant will be notified of the discrepancy and the burden of proof will be on the tenant to provide evidence to contradict the EIV report.

Repayment agreements will be calculated based on the unreported income for the previous twelve months. Amounts of unreported income between \$2,400.00 and \$3,600.00 will be allowed one year to complete the repayment. Amounts in excess of \$3,600.00 will be handled individually. Amounts in excess of \$5,000 will be forwarded to the Office of the Inspector General.