Addendum: Non-RAD Project-Based Voucher Program

Section I: General

The Project-Based Voucher (PBV) Program is a component of the PHA's Section 8 Housing Choice Voucher (HCV) Program. The PHA administers the PBV program in accordance with federal regulations, 24 CFR Part 982 and CFR Part 983, under which the U.S. Department of Housing and Urban Development (HUD) allows public housing authorities to set aside a portion of their total Annual Contributions Contract (ACC) unit count for project-based voucher assistance.[1] This statement of Project-based Voucher Policy is an addendum to the HCV Administrative Plan.

Section II. Goal of the Project-Based Assistance Program

The PHA's program goals are to expand the affordability of rental housing in the PHA's jurisdiction for qualified households; make project-based rental subsidies accessible so qualified families can afford safe, decent, and sanitary housing; maintain full utilization of HUD allocated vouchers; and prevent the concentration of poverty.

The two ways PBV can be undertaken are:

1. Through an open solicitation to property owners; or
2. Through linkage with a Low Income Housing Tax Credit property

It is the intention of the PHA's Board of Commissioners that project-based vouchers be employed in the following ways:

1. Housing for elderly persons and people with disabilities;
2. Replacement of ACC public housing units; and
3. Assistance with development of affordable housing.

Section III: Small Area Fair Market Rent (SAFMR)

The PHA is subject to small area fair market rents, or SAFMRs. SAFMRs are FMRs calculated for ZIP Codes within Metropolitan Areas. Small Area FMRs are required to be used to set Section 8 Housing Choice Voucher payment standards in areas designated by HUD.

There is an exception to this rule for some of the PHA's PBV units. PBV units for which a notice of owner selection was issued in accordance with 24 CFR 983.51(d) prior to June 8, 2011, are not be subject to the SAFMRs. Area-wide FMRs continue to apply to these PBV units, thus ensuring the viability of PBV projects that were in the development pipeline and had obtained financing based on area-wide FMRs. However, any PBVs for which a notice-of-owner selection is issued after June 8, 2011 are subject to the SAFMRs.[2]

[1] Before the Housing Opportunity through Modernization Act (HOTMA), the PBV cap was limited to 20 percent of budget authority. HOTMA changed the cap from budget authority to 20 percent of ACC unit count. HOTMA also authorized PHAs to request an additional 10 percent increase beyond the 20 percent ACC unit count (subject to eligible categories outlined in PIH Notice 2017-21 Appendix D).

[2] Federal Register Volume 76, Issue 110 (June 8, 2011). PBV units for which a notice of owner selection was issued in accordance with 24 CFR 983.51(d) prior to June 8, 2011, will not be subject to the SAFMRs.

Section IV. Advertisement Policy for PBV Solicitations

The PHA will advertise the availability of PBV assistance in accordance with HUD regulations, including notifying HUD. Advertisement will be placed in local newspapers of general circulation, including Lancaster County's largest newspaper; minority newspapers that are published in languages other than English; and on the PHA's website. These efforts are intended to affirmatively further fair housing. The advertisement will run once a week for a period of two consecutive weeks. The advertisement will specify the number of vouchers available to be project-based, the type of units that will be considered for the project-based program, and the submission deadline.

All advertisements for the PBV program will contain a statement that participation requires compliance with Fair Housing and Equal Opportunity requirements, and that the provisions of the Fair Labor Standards Act and Contract Work Hours and Safety Standards Act, Section 3 of the Housing and Urban Development Act of 1968 and associated implementing regulations, and the federal equal employment opportunity requirements of Executive Order 11246 as amended, may be applicable for new construction and substantial rehabilitation properties. When developing nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay prevailing wage rates as required by the Davis-Bacon Wage Act to laborers and mechanics employed in the development of the housing.

Section V. PHA-Owned Units and Independent Entities

The PHA has adopted measures consistent with HUD regulations to utilize an independent entity to perform the HUD required functions for PBVs where the PHA is the owner of the units.

Function	Applicable Program Services: Regulatory Basis
Review the PHA's PBV selection process.	PBV: 24 CFR §983.51(e)
Provide the PHA a letter stating that the PHA-owned units were appropriately selected based on the selection procedures specified in the the PHA's Administrative Plan.	24 CFR 983.51(b)(2)
Establish PBV contract rents (initial rent and re-determined rent).	PBV: 24 CFR §983.59(b)(1) PBV: 24 CFR §983.301(g)
Provide written notice to the PHA specifying the amount of re-determined rent.	
Determine rent reasonableness with regard to the initial contract rent and any adjustments to the contract rent.	PBV: 24 CFR §983.303(f)(1) HCV: 24 CFR §982.(b)(1)(iv)(A)(1)
Provide a copy of the rent reasonableness determination to the PHA and the HUD field office where the project is located.	PBV: 24 CFR §983.303(f)(2)
Notify the PHA and the family of the rent reasonableness determination.	HCV: 24 CFR §982.352(b)(1)(iv)(A)(1)
Assist the family in negotiating the rent with the owner.	PBV: 24 CFR §982.352(b)(1)(iv)(A)(2)
Establish term of initial and any PBV renewal HAP contract as required in 24 CFR §983.205. Inspect units.	PBV: 24 CFR §983.59(b)(2) PBV:24 CFR §983.59(b)(3)

When the PHA requires HUD approval of a proposed independent entity, the PHA must submit a joint certification from both the PHA and the independent entity to the local HUD Office for HUD approval. The certification must state that the PHA and the proposed entity have no legal, financial, or any other connection that could cause either party to be improperly influenced by the other, and that the

proposed independent entity will perform its responsibilities as it relates to the PHA-owned units in an unbiased manner. the PHA will provide supporting documentation at HUD's request.[3]

Section VI. Selection of PBV Owner Proposal

The PHA will select PBV proposals pursuant to one or a combination of the following methods:

A. The PHA will issue a request for PBV proposals as provided in 24 CFR §983.51(b)(1). If the PHA uses this method to select PBV proposals, the PHA will provide public notice of the request for PBV proposals. the PHA will also post notice on the PHA's website at www.LCHRA.com. In order for the proposal to be considered, the owner must submit a proposal to the PHA by the published deadline date, and the proposal must be responsive to all requirements as outlined in the Request for Proposal (RFP). Incomplete proposals will not be reviewed.

B. As provided in 24 CFR §983.51(b)(2), the PHA may determine to provide PBV funding to a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals (e.g. HOME and units for which competitively awarded Low Income Housing Tax Credits have been provided), where the proposal has already been selected in accordance with such program's competitive selection requirements within three years of the PHA's PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive the PHA PBV assistance.

C. As provided in 24 CFR §983.51 and §983.59, a PHA-owned unit may be assisted under the PBV program. PHA-owned units are defined in Notice PIH 2017-21 Appendix A, and HUD requirements for review by an independent entity are outlined in in Notice PIH 2017-21 Appendix B.

D. Due to unique or extenuating circumstances, the PHA may have cause to consider requests for conversion from a tenant-based voucher to a project-based voucher. For example; to expand housing opportunities for persons with disabilities[4], the PHA, at its sole discretion, may consider a request to convert issued and leased tenant-based housing vouchers to project-based vouchers absent the RFP process, which may be subject to HUD's regulatory waiver and approval. This type of conversion is outside of the regulatory authority for project-based vouchers as provided in 24 CFR §983.51 because they omit the owner proposal selection process. As a result, such requests are considered on a case-by-case basis.

Notice of owner selection will be provided as follows: the PHA will give prompt written notice to the party that submitted a selected proposal. The award notice will include the number of vouchers awarded and state a deadline by which all other agreements must be executed. In addition, owners awarded project-based vouchers must submit the following plan to the PHA for review and approval prior to execution of an agreement to enter into a housing assistance payment (AHAP):

1. Marketing Plan to describe marketing and outreach activities;

[3] Details on the PHAt, when, and how to submit the certification are provided in Notice PIH 2017-21 Appendix B.
[4] 24 CFR 983.210(e) provides that by execution of the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract, the owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit. 24 CFR 983.251(a)(4) provides an exception to the aforementioned requirement, when the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. In such cases, clients may request a reasonable accommodation. the PHA processes all requests for reasonable accommodation in accordance with its Reasonable Accommodation Procedures.

2. When required by the RFP, a contract between the property owner and supportive service provider(s) whose activities will be necessary to the success of the client group targeted by the RFP;

3. Waiting List Management Plan which includes information related to accepting application and record keeping;

4. Tenant Selection Plan for selecting tenants from the project's waiting list that covers tenant selection, screening criteria and procedures and requirements when applicants are ineligible.

The PHA will also give prompt public notice of award of PBV in a local newspaper of general circulation and on the PHA's website to provide broad public notice. The announcement will include the name of the owner/project and the number of PBV that were awarded.

The PHA will not select a proposal or commence an AHAP, or execute a HAP contract on existing units, until it determines that the proposed site/units comply with PBV goals, civil rights requirements, and HQS, unless otherwise provided in 24 CFR §983.57(b).

Section VII. Subsidy Layering Review (SLR) Prohibition of Excess Public Assistance

The purpose of a subsidy layering review (SLR) is to avoid excess subsidy by combining (layering) housing assistance subsidy under the PBV program with other governmental assistance from federal, state, or local agencies, including but not limited to, assistance such as tax concessions or tax credits. SLRs are required only for projects involving new construction and rehabilitation. When a new construction or rehabilitation project has been selected pursuant to program regulations at 24 CFR part 983, and the project combines other forms of governmental assistance, the PHA must conduct an SLR. An SLR shall not be required for project-based assistance (1) for an existing structure, or (2) if a subsidy layering review has been conducted by the applicable state or local agency.

The PHA may provide PBV assistance only in accordance with HUD SLR requirements. SLRs must be completed and approved by a qualified Housing Credit Agency (HCA) or by HUD, for all PBV projects that use other publicly supported housing funds, such as Low Income Housing Tax Credit funding. When conducting an SLR, the PHA will do the following:

A. the PHA shall obtain from the owner all the information required by the HUD mandated SLR checklist.

B. the PHA shall complete the SLR, including checks for completeness and compliance with program requirements.

C. When the SLR is complete and acceptable, the PHA shall forward the SLR package to HUD's local office for processing.

D. the PHA will not enter into an AHAP until HUD, or an independent entity approved by HUD, has conducted any required SLR and determined that the PBV assistance complies with HUD's SLR.

Section VIII. Environmental Review

Every PBV project is subject to HUD environmental review requirements at 24 CFR Part 50 or Part 58 and 983.58. Prior to execution of an AHAP, the owner must present evidence that the environmental review has been performed by a HUD designated "responsible entity" and approved by HUD, or, where applicable, categorically excluded from review under the National Environmental Policy Act of 1969, unless HUD notifies the PHA in writing of environmental approval of the site.

Section IX. Cap on Number of PBV Units in each Project

Except for properties serving elderly persons or persons with disabilities, no more than 25 percent of the units in a project may receive project-based vouchers. Units in a single-family building, defined as any building with 1-4 units are exempt from this cap.

An additional category of units referred to as "excepted" units are also exempt from the 25 percent cap. Excepted units are units that will house a qualifying family, defined by HUD as a household where at least one member is eligible to receive at least one supportive service for the term of the executed HAP contract. To the extent that more than 25 percent of the units in a project receive project-based vouchers, supportive services will be offered (either by the PHA or by outside service providers). When the PHA exercises flexibility to exceed the 25 percent cap through excepted units, then the use of such services by family members will be monitored and tracked during each family's annual recertification.

Such services will be appropriate for the needs of the families and may include the following:

A. In properties for senior citizens and people with disabilities, services may include:
    1. Case management;
    2. Behavioral health services;
    3. Physical health services (wellness, fitness, vision, hearing and clinic services);
    4. Substance abuse resistance;
    5. Nutrition and community gardening;
    6. Transportation;
    7. Housekeeping aid; or
    8. Other services designed to help the recipient live in the community as independently as possible.

B. In properties for general occupancy, all the above services may be provided. In addition, the following other services may be included:
    1. Early childhood education and childcare;
    2. Before and after school care for school age children;
    3. Summer nutrition;
    4. Computer literacy;
    5. Job training, educational, and employment services; or
    6. Other services designed to help the recipient live in the community as independently as possible.

Section X. Housing Assistance Payment Contract

A. Term of Project-Based Assistance Contract
    1. Upon selection of the site/units, the PHA will enter into an agreement with the owner to execute a HAP Contract in accordance with HUD requirements for contracts as provided at 24 CFR §§982.162 and 983.152, including a HAP contract if the agreement is for existing units.

2. the PHA's project-based HAP contract will be executed for a term of not less than one (1) year or more than 20 years for each contract unit as provided at 24 CFR §983.205, and is subject to future availability of funding under the PHA's ACC.

3. The HAP contract will be executed when all of the HAP contract requirements as provided at 24 CFR §983.204 have been met.

4. The HAP Contract will contain all required information as provided at 24 CFR §983.203.

5. When supportive services are included in the agreement, contracts for project-based vouchers will not be executed until the PHA receives a fully executed contract between the owner and service provider(s) for the provision of the supportive services necessary to ensure the housing success of the target client group.

B. Extension/Renewal of Term

At any time before expiration of the initial term, the PHA may agree to extend the term of the HAP contract for an additional term of up to 20 years, if the PHA determines an extension is appropriate. Subsequent extensions are subject to the same limitations any renewals or extension of the project-based HAP Contract is subject to future availability of funding under the PHA's ACC. Owners that are requesting a renewal must submit a Contract Renewal Request Form at least 120 days before the contract expiration.

C. Termination of HAP Contract

1. Cost Savings Measures

Before termination of a HAP contract, the PHA will first pursue cost savings measures. the PHA will make every effort to preserve affordable housing. the PHA's cost savings measures are outlined in the PHA's Shortfall Procedure.

2. Termination by the PHA for Insufficient Funding

As provided in the HAP contract the PHA's contractual commitment is subject to availability of sufficient funding as determined by HUD or the PHA in accordance with HUD instructions. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any units under contract.[5] The HAP contract will provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by the PHA in accordance with HUD instructions.

3. Termination by Owner for Reduction Below Initial Rent

If a rent reasonableness test results in a reduced amount below the contract rent, the owner may elect to terminate the HAP contract and the tenant must be offered the next available tenant-based voucher.[6]

4. Termination by the PHA for Failure to Supply Agreed-upon Supportive Services

Since supportive services are an essential element of assisting currently or formally homeless individuals or other special need populations, the PHA will terminate the contracts of owners who fail to maintain the agreed-upon supportive services, outlined in the MOU/MOA between

[5] 24 CFR §983.205c

[6] 24 CFR §983.205d

owner and provider for PBV clients. Should this occur, the clients will be issued Housing Choice Vouchers and be referred to entities that can provide needed supportive services.

5. Termination by the PHA for Failure to meet Housing Quality Standards

If the property fails to meet Housing Quality Standards and the owner fails or is unable to make necessary improvements to the property, the PHA will exercise any available remedies up to and including terminating the HAP contract, and issuing tenant-based housing choice vouchers to the clients.

D. HAP Contract Amendments

1. Substituting Contract Units

At the discretion of the PHA, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract. the PHA must inspect the proposed substitute unit and must determine the reasonable rent for such unit.

2. Add Contract Units

At the discretion of the PHA, existing PBV HAP contracts may be amended to add contract PBV units to the same project without competitive selection, by mutual agreement of the PHA and the owner, if the PHA has adequate voucher and budget authority at the time the request is received, and:

a. The project undergoes a new SLR and is approved by HUD.

b. The total number of units in the building that will receive PBV assistance will not exceed 25 percent of the number of dwelling units in the project, unless excepted units[7].

c. The owner is in good standing and has acceptably performed all requirements under the HAP contract.

d. Addition of unit is consistent with any the PHA requirement for PBV units at the time the request is made.

e. The amendment is subject to all PBV requirements.

Section XI. the PHA Monitoring of Supportive Services

When supportive services are provided, owners and/or supportive service providers for PBV units with special needs populations are obligated to report to the PHA regarding any changes in the supportive services *before* the changes are made (i.e. any changes in the Service Provider Agreement in the original RFP). the PHA must not require participation in the supportive services as a condition of living in a PBV unit; however, the service provider and owner may include supportive service agreements as part of the leasing agreements. the PHA requires quarterly reports from supportive service agencies (i.e. lease compliance, if a client has vacated the unit, and/or any other action that would violate the PHA's PBV program).

As part of the PBV application process, each owner/project sponsor must articulate key program goals and core performance indicators in their proposal. The owner/project sponsor will be required to describe how participant households will be monitored for compliance with their PBV Contract of Family Participation/Family Obligations. During each 12-month cycle of the family's contract, the owner/project

[7] 24 CFR §983.207(b) and PIH Notice 2017-21 Attachments C and J.

sponsor must certify that it continues to provide supportive services. This data should be included in the annual performance report (PBV-APR) to be submitted to the PHA.

Section XII. Occupancy

A. Unit Selection (for Existing Housing and Rehabilitated PBV)

the PHA anticipates that it will offer several types of project-based assistance programs; therefore, the unit selection will be based on the needs of that particular project and determined by the owner with final approval by the PHA. After HAP contract execution, the owner must seek written approval and a HAP contract amendment to make any substitutions to the units or the unit mix.

B. Protection of In-Place Families

The protection for victims of domestic violence, dating violence, sexual assault, and/or stalking, as provided in 24 CFR Part 5, subpart L, apply to participants in the PBV program.

To minimize displacement of in-place families, for an existing unit or one requiring rehabilitation and occupied by an eligible family on the proposal selection date, the in-place family must be placed on the the PHA's waiting list (if not already on the waiting 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.

For existing units or those requiring rehabilitation, an eligible family that is residing in a proposed contract unit, on the date of proposal selection, is considered an "in place family". Eligible in-place families will be given a selection preference and will be placed on the waiting list for the project. the PHA may deny assistance to the family for the grounds specified in 24 CFR 982.552 and 982.553.

Eligible in-place families are not subject to income targeting requirements.

If an in-place family is determined ineligible by the PHA or does not wish to participate in the PBV program, the PHA will give the owner the option to substitute that particular unit for another unit, or the owner can wait until the end of the family's lease term. the PHA must not select or enter into an agreement or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. The owner cannot evict (displace) any families prior to lease expiration for the purposes of moving an eligible PBV family into the unit.

C. Waiting List

1. The protection for victims of domestic violence, dating violence, sexual assault, and/or stalking, as provided in 24 CFR Part 5, subpart L, apply to admission to the PBV program.

2. PBV properties, whose contract award specified assistance to special needs populations (per the RFP) will submit referrals to the PHA's PBV site-based waiting list. Any families selected from the PHA's site-based waiting lists must meet owners' screening criteria prior to receiving a project-based voucher. The owner can help ensure timely turnaround of vacant units by conducting outreach efforts in accordance with the PHA policies. If the supportive service provider makes referrals to the owner, it is still the owner's responsibility to conduct screening on qualified families referred by the PHA.

3. When an entire property is subsidized by PBV, (e.g. a large senior development) and when the property has received Low Income Housing Tax Credits (LIHTC), the PHA will develop and maintain a site-based waiting list consistent with Title VI of the Civil Rights Act of 1964 and all applicable requirements of 24 CFR §5, 982, and 983.

a. In practice, this means that the PHA will notify all potentially eligible families and individuals on its regular HCV waiting list that they may apply for admission to the open PBV list;

b. the PHA will require that the PBV owner of the LIHTC property establish its waiting list in a manner that complies fully with both the 24 CFR Parts 982 and 983 and the LIHTC requirements. The waiting list will be established using the PHA's operating program software so that it can be tracked in real time by the PHA;

c. During lease-up and subsequent re-leasing the PHA will carry out all processes necessary to determine eligibility and rent. This will include the following actions:

1. Reviewing the application package for completeness and internal consistency;

2. Reviewing applicant-provided information such as photo IDs, social security cards, birth certificates and HUD 214 forms;

3. Verifying all information on income, citizenship or eligible immigration status, social security numbers and all deductions;

4. Determining each family's annual income, adjusted income, utility allowance (if applicable), total tenant payment and tenant rent;

5. Conducting the criminal history check on all adult applicants;

6. Referring eligible applicants to the owner for pre-occupancy screening, unit assignment, leasing and orientation

4. The waitlist contains, but is not limited to the following information for each applicant:

a. Date and time or lottery of application

b. Applicant name, address, social security number, and contact number

c. Family unit size

d. Family size

e. Racial or ethnic designation of head of household

f. Income source

g. Annual gross income

h. Program qualifications

D. Tenant Screening

1. the PHA option. the PHA determines eligibility for the Section 8 PBV program, but the PHA has no responsibility or liability to the owner or to any other person for the family's behavior or suitability for tenancy. However, the PHA will screen applicants for criminal background and debts owed to the PHA or any other PHA, and may deny admission based on the screening results.

2. Owner responsibility. The owner is responsible for screening and selection of the family to occupy the owner's unit. The owner may consider a family's background with respect to such factors as payment of rent and utility bills, caring for a unit and premises, involvement in any drug-related criminal activity or other criminal activity is a threat to the health, safety, or property of others, respect for the rights of other residents to the peaceful enjoyment of their housing, and compliance with other essential conditions of tenancy.

3. Depending upon the proposed client group to be served in the PBV program, the PHA may waive its criminal background screening requirements beyond the mandatory statutory prohibition against assistance to persons who have been convicted of manufacturing methamphetamines on the premises of assisted housing or persons who are subject to a lifetime registration requirement as sex offenders. The family must comply with all other HCV program participant screening and eligibility requirements. Exceptions to the criminal background requirement will be reviewed on a case by case basis and must be approved by the PHA. The service provider must submit a written request for a criminal background waiver on behalf of the family. This provision would apply to project-based VASH properties.

E. Tenant Selection

The owner is responsible for developing written tenant selection procedures. Tenant selection procedures must be approved by the PHA prior to the execution of the HAP contract. Owners are responsible for selection of tenants for units assisted with project-based vouchers from among the families on the waiting list. Project-based voucher holders must come from outreach efforts conducted by the property owner/manager in accordance with the PHA policies.

The PHA may select families who are active participants in its tenant-based voucher program and those who have applied for admission to the HCV program or only to a specific PBV site.

The PHA will collect the required forms from tenants to be in compliance with the PHA PBV requirements. These forms will include, but will not be limited to: Form HUD-9886, Declaration of Citizenship Status, Application for Assistance, Criminal Background Release, and Statement of Family Obligations.

The owner will be responsible for collecting all the required screening forms and determining the tenant's suitability for residency in their property. The owner/service provider will provide an electronic copy (fax or scan) of the application materials to the PHA to verify program eligibility. All tenant transactions will be managed by the manager.

Except for in-place residents who receive PBV assistance, not less than 75 percent of the families admitted from the PHA's tenant-based and project-based the waiting list during the PHA's fiscal year shall be extremely low-income families.

<u>Occupancy Standards</u>

The PHA will use the same occupancy standards for project-based participants as for HCV participants. In the event that the current project-based waiting list does not contain applicants that meet the criteria for units available, the next eligible applicant may be selected so long that at least one person occupies each bedroom.

F. Lease Term

The initial lease term for project-based units is one year.

G. Conversion to Tenant Based/Portability Voucher

Families who reside in a project-based unit for at least twelve months may request to move with continued assistance (tenant-based assistance), if funding is available. Families are subject to the same rules as any other tenant-based participant. The family that moves out of the project-based unit is replaced with a new household from the waiting list. If a voucher is not available, the family may remain in the project-based unit for the remainder of the HAP contract. The family will be placed on the project-based HCV waiting list and will be issued a voucher when one is available prior to a family on the HCV waiting list.

H. Annual Reexaminations and Interim Reexaminations

1. Families who reside in a project-based unit may experience changes in their income or family composition.

2. The PHA will perform all interim adjustments and annual recertification.

3. At the LIHTC properties where the owner is handling the waiting list with the PHA monitoring, the PHA will provide the owner with the required forms to complete all interim reexaminations on the property and a checklist for the needed documents, or provide digital access for recertification. The interim packet will be sent electronically (via fax or scan) to the PHA to process. the PHA will provide the owner with the rent change notice letter and the copy of the Form HUD-50058 for their records.

   The PHA will complete annual reexaminations on the property for all the residents. The PHA will provide the owners with the annual reexamination forms packet (which will also be available on the internet). The owner will be responsible for providing the packets to the families at least 120 days prior to their annual reexamination and must collect the packets at least 60 days prior to the anniversary of their annual reexamination date. In most cases, the annual reexamination date will be the first day of the month in which the family moved in (lease date), although this may not always be the case.

   The PHA will collect the annual reexamination packets from the owner 60 days prior to annual reexamination anniversary date, and process the annual reexaminations and provide the owner a notice of rent change and completed reexam at least 30 days prior to the anniversary of the annual reexamination. In some cases, the PHA will have to make arrangements to meet with the family; however, it is the owner's responsibility to collect the annual reexamination packets and supporting documentation from the family.

   The PHA will conduct an annual reexam briefing with families to review the program requirements, update families of changes to the program, and to discuss project concerns with the family. the PHA will provide the owner with notice of briefing appointment and the owner should provide a common space for these briefings on the property.

I. Vacancy Payments

The PHA will provide PBV owners an opportunity to retain the full HAP for the calendar month in which a tenant vacates, plus a vacancy payment equal to 80 percent of the contract rent for the following calendar month so long as the unit is not re-leased and occupied. The HAP contract will not provide for vacancy payments after that date.

The PHA will pay vacancy loss as outlined above following a client move-out if:

1. The owner gives the PHA prompt written notice of the vacancy;

2. The vacancy is not the fault of the owner;

3. The owner has taken every reasonable action to minimize the likelihood and length of the vacancy;

4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to vacancy payment.

J. Reduction in the contract number of Project-based Units

Project-based units that are not rented by an eligible family within 180 days of becoming vacant will be terminated from the project-based assistance contract. Appeals will be allowed, but will

be granted only in extraordinary circumstances. A unit that has consistently failed HQS inspections will also be terminated from the project-based assistance contract.

K. Termination of Service Provider/Owner Relationship

If at any time, the supportive service provider terminates the relationship with the owner or the owner chooses to terminate the relationship with the service provider, the PHA will review the HAP contract and the procurement of the services to determine if the HAP contract should be terminated or continued. Any changes in ownership or service provider must be approved in writing through a HAP contract amendment by the PHA. the PHA reserves the right to not make any requested amendments to the contract.

If contract is terminated prematurely, the PHA will offer the PBV tenants an HCV voucher at the end of their existing lease term. The tenant may choose to remain on the property under the HCV program or can relocate using the HCV voucher.

Section XIII. Housing Quality Standard (HQS) Inspections and Rent Reasonableness for PBV units that are not the PHA-owned

A. Pre-Selection Inspection

The PHA must examine the proposed site before the proposal selection date to determine if the units substantially comply with HQS. the PHA shall inspect each contract unit before executing a HAP contract.

B. Pre-HAP Contract Inspections

The PHA must inspect each contract unit before execution of the HAP contract. the PHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.

C. Turnover Inspections

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.

D. Biennial Inspections

At least biennially during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, then the PHA must re-inspect 100 percent of the contract units in the building.

E. Housing Accessibility for Persons with Disabilities

The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the implementing regulations at 24 CFR part. 8.

Housing first occupied after March13, 1991 shall comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable.

F. Rent Reasonableness and Rental Adjustments

The PHA will conduct a rent reasonableness survey on all units prior to the execution of the HAP contract. If the owner desires a rental adjustment at the anniversary of the HAP contract, the

owner must request a rental adjustment in writing at least 90 days prior to the HAP contract anniversary. the PHA will determine whether the rent requested is reasonable and will make the appropriate adjustments (increase or decrease) in order to comply with rent reasonableness requirements.

The PHA will only entertain rental adjustment requests at anniversary of HAP contract and not on family lease terms, which may or may not coincide. The application of the approved rental adjustment will be processed for all assisted units within the HAP contract, regardless of the lease term per family; so long as proper notice has been provided.