

**LOUISVILLE METRO
HOUSING AUTHORITY (LMHA)**

**Proposed Revisions to:
HOUSING CHOICE VOUCHER (HCV)
PROGRAM
ADMINISTRATIVE PLAN**

Section 1: Introduction
Section 4: The Admissions Process
Section 11.0: Rent and Housing Assistance Payment
Section 17: Project-Based Assistance
Glossary
Appendix 9: Special Referral Programs

Public comment welcome from
March 17, 2017 – April 17, 2017

Proposed revisions are denoted in red

1. INTRODUCTION

[...]

D. SUMMARY OF HOUSING AUTHORITY, OWNER, AND FAMILY RESPONSIBILITIES

[...]

2. Owner Responsibilities¹

The Owner is responsible for performing all of the Owner's obligations under the Housing Assistance Payments contract and the Lease, including the tenancy addendum. These obligations include, but are not limited to the following:

- a. Performing all management and rental functions for the assisted unit, including selecting a Voucher Holder to lease the unit, and deciding if the Family is suitable for tenancy of the unit. The fact that a Family Member is or has been a victim of Domestic Violence, Dating Violence, or Stalking is not an appropriate basis for denial of tenancy if the Family otherwise qualifies for tenancy;
- b. Maintaining the unit in accordance with the Housing Authority's standards for decent, safe, and sanitary housing, including performance of ordinary and extraordinary maintenance;
- c. Providing access to the unit for scheduled inspections;
- d. Complying with fair housing and equal opportunity requirements;
- e. Preparing and furnishing to the LMHA information required under the Housing Assistance Payments contract, including but not limited to, promptly giving the LMHA a copy of any Owner eviction notice;
- f. Collecting from the Applicant or Participant Family:
 - i. Any security deposit;
 - ii. The tenant contribution (the part of Rent to Owner not covered by the Housing Assistance Payment); and
 - iii. Any charges for unit damage by the Participant Family;
- g. Enforcing tenant obligations under the Lease;

¹ 24 CFR 982.452, Owner Responsibilities

- h. Paying for utilities and services (unless paid by the Participant Family under the Lease); ~~and~~
- i. For modifications to a dwelling unit occupied or to be occupied by a person with a disability (as described at 24 CFR 100.203); ~~and~~
- j. For registering the assisted unit in the Louisville Metro Rental Registry.²

[...]

² Additional information regarding rental property registration can be found at:
<https://louisvilleky.gov/government/codes-regulations/rental-registry>

4. THE ADMISSIONS PROCESS

[...]

C. WAITING LIST MANAGEMENT

[...]

2. Waiting List Organization

[...]

b. Preferences³

Consistent with the Housing Authority's Moving to Work (MTW) Annual Plan; the Consolidated Plan that covers the LMHA jurisdiction; and local housing needs and priorities, the Housing Authority will give an admissions preference to Applicant Families that meet at least one of the following criteria:

- i. Applicant Families that successfully completed the Housing Authority's HCV Homeownership Program by becoming economically independent, and who still own and reside in the formerly assisted unit, but who now, through extenuating services, need HCV assistance again.
- ii. Applicant Families that have applied to (and met the admissions criteria for) one of the Housing Authority's Special Referral Programs. Information on applying to these Programs can be found in Appendix 7.
- iii. Applicant Families referred by the Family Health Centers Common Assessment Team that include an Adult Household Member who is a Homeless veteran. For the purpose of determining eligibility for this preference, the term "veteran" includes anyone who wore the uniform of any of the military forces. It does not include National Guard members who were never called up for service.⁴ Families that believe they may qualify for this admissions preference should contact:

Family Health Centers Common Assessment Team
1300 S. 4th St., Suite 200
Louisville, KY 40208

³ 24 CFR 982.202, How Applicants Are Selected: General Requirements and 24 CFR 982.207, Waiting List: Local Preferences in Admission to Program

⁴ *RX: Housing Veterans*. Report to Mayor Fischer on Ending Veteran Homelessness in Louisville, Kentucky. 5 December 2014.

Phone: (502) 773-3811

Website: <http://www.fhclouisville.org/health-services/healthcare-for-the-homeless>

- iv. Applicant Families referred by the Family Health Centers Common Assessment Team that are currently assisted through a homeless services voucher. LMHA will not serve more than 100 Families admitted through this preference at any given time.⁵ Families that believe they may qualify for this admissions preference should contact:

Family Health Centers Common Assessment Team

1300 S. 4th St., Suite 200

Louisville, KY 40208

Phone: (502) 773-3811

Website: <http://www.fhclouisville.org/health-services/healthcare-for-the-homeless>

The LMHA will not deny a local preference, nor otherwise exclude or penalize an Applicant Family, solely because the Family resides in public housing.

[...]

⁵ Notice PIH 2013-15, *Guidance on Housing Individuals and Families Experiencing Homelessness through the Public Housing and Housing Choice Voucher Program*

11.0 RENT AND HOUSING ASSISTANCE PAYMENT

[...]

11.2 RENT REASONABLENESS⁶

~~LMHA will not approve a Lease until it determines that the initial Rent to Owner is a Reasonable Rent. an initial rent or a rent increase in any of the tenant based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial Lease and at the following times:~~

~~LMHA may choose to redetermine the Reasonable Rent at any time. The Housing Authority will always redetermine the Reasonable Rent:~~

- ~~A. Before any increase in the Rent to Owner is approved.~~
- ~~B. If ~~60 calendar days before the contract anniversary date~~ there is a ~~5~~10% decrease in the published Fair Market Rent in effect ~~60 days before the contract anniversary (for the Unit Size rented by the Family)~~ as compared to the ~~previous~~ Fair Market Rent in effect one year before the contract anniversary.~~
- ~~C. If directed by ~~the Housing Authority or HUD~~, ~~directs that reasonableness be re-determined.~~~~

~~In addition, LMHA has elected to place a 2% cap on annual increases in the Rent to Owner for units where the Family is already receiving HCV rental assistance and is electing to stay in the unit. At HAP contract renewal, LMHA limits the Rent to Owner to whichever is least:~~

- ~~A. The Owner requested Rent to Owner;~~
- ~~B. 102% of the previous Rent to Owner;~~
- ~~C. The (Exception) Payment Standard; or~~
- ~~D. The Reasonable Rent.~~

[...]

⁶ 24 CFR 982.507, “Rent to Owner: Reasonable Rent”

Language highlighted in yellow will become effective upon HUD approval of the Housing Authority's proposed Moving to Work activity #48-2017, "Local Project-Based Voucher Program." Until that time, these sections are governed by current HUD regulation.

17. PROJECT-BASED ASSISTANCE

A. AN OVERVIEW OF THE PROJECT-BASED VOUCHER PROGRAM⁷

A Public Housing Agency, such as the Louisville Metro Housing Authority (LMHA), that already administers a tenant-based Housing Choice Voucher (HCV) Program may opt to utilize up to 20% of the voucher budget authority allocated to it by HUD to operate a Project-Based Voucher (PBV) Program. While tenant-based HCV vouchers are issued to individual Families, the federal assistance associated with project-based vouchers is effectively "attached" to a structure (units within a building).

The Public Housing Agency enters into a Housing Assistance Payment (HAP) contract with an Owner for specified units. In the case of housing to be constructed or rehabilitated, the housing is developed under an Agreement to enter into a Housing Assistance Payment contract (AHAP), and a HAP contract is executed after the Owner completes the construction or rehabilitation of the units. During the term of the HAP contract, the Public Housing Agency makes Housing Assistance Payments to the Owner for units leased and occupied by eligible Families.

B. SELECTION OF PROPERTIES FOR RECEIPT OF PROJECT-BASED ASSISTANCE

1. Selection Process⁸

LMHA will select PBV housing units for project-based assistance through one of the following three methods:

a. Selection Based on Previous Competition

LMHA may select, without competition, a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, Louisville CARES, Louisville Affordable Housing Trust Fund,

⁷ 24 CFR 983.5, "Description of the PBV Program"; 24 CFR 983.6, "Maximum Amount of PBV Assistance"

⁸ 24 CFR 983.51, "Owner Proposal Selection Procedures"

units for which competitively awarded LIHTCs have been provided, previous LMHA-issued RFP or RFQ, etc.) where the proposal was selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and that did not consider that the project would receive PBV assistance. Under this subsection, the vouchers can be project-based merely on a vote of the Board of Commissioners.

b. Issuance of a Request for Proposals

LMHA will issue a Request for Proposals (or Request for Qualifications, as appropriate) inviting interested Owners to participate in the Housing Authority's PBV Program according to its customary Procurement Policy, which incorporates broad public notice of the opportunity, including publication of the public notice in the jurisdiction's local newspaper of general circulation (*Courier-Journal*). The public notice will specify the submission deadline.

The Request for Proposals instrument will describe detailed application and selection information, and will be provided at the request of interested parties. The instrument will also be made available on the Housing Authority's website (www.lmha1.org).

The Request for Proposals may be limited to a specific site or sites or to geographic areas that meet certain criteria (for example, non-impacted census tracts).⁹

The RFP may include all forms of housing or individual forms (e.g., newly constructed housing only).

The RFP may also seek proposals to project-base HUD Veterans Affairs Supportive Housing (VASH) vouchers.¹⁰

c. LMHA-Owned Units

The Housing Authority may select LMHA-owned housing projects for project-based assistance without a competitive process and without HUD approval¹¹;

2. Selection Requirements

⁹MTW Activity #48-2017, "Local Project-Based Voucher Program"

¹⁰A Federal Register Notice entitled "Housing Opportunity Through Modernization Act of 2016: Implementation of Various Section 8 Provisions" was published in the Federal Register on January 18, 2017 (82 FR 5458) and originally scheduled to become effective on April 18, 2017. This Notice would permit public housing authorities to project-base HUD-VASH vouchers. However, the Notice is currently subject to a regulatory freeze/review by Executive Order; thus, the effective date of this provision is uncertain. LMHA will not seek proposals to project-base VASH vouchers unless/until this Notice provision becomes effective.

¹¹MTW Activity #48-2017, "Local Project-Based Voucher Program"

Regardless of the manner of selection, all projects awarded PBV assistance must meet the standards enumerated in this section.¹²

- a. *Special Housing Types.* Although Public Housing Agencies may opt to award project-based assistance to Single-Room Occupancy (SRO) Housing, Congregate Housing, Group Homes, Cooperative Housing, and/or Manufactured Homes, they are not permitted to award such assistance to Shared Housing or Homeownership units or for Manufactured Home Space rental.¹³
- b. Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution are not eligible for PBV assistance;
- c. Nursing homes and facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care are not eligible for PBV assistance. However, Public Housing Agencies are permitted to attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
- d. Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution are not eligible for assistance;
- e. Public Housing Agencies are not permitted to attach or pay PBV assistance for a unit occupied by an Owner of the housing. A member of a Cooperative who owns shares in the project assisted under the PBV program shall not be considered an Owner for purposes of participation in the PBV program;
- f. Before a Public Housing Agency selects a specific unit to which assistance is to be attached, the Agency must determine whether the unit is occupied and, if occupied, whether the unit's occupants are eligible for assistance. The Agency must not select or enter into an AHAP or a HAP contract for a unit occupied by a Family ineligible for participation in the PBV Program;
- g. Public Housing Agencies are not permitted to attach or pay PBV assistance for units for which construction or rehabilitation has commenced after proposal submission and prior to execution of an AHAP.

For the purpose of this determination, “construction” begins when excavation or site preparation (including clearing of the land) begins for the housing. “Rehabilitation” begins with the physical commencement of rehabilitation activity on the housing¹⁴;

¹² 24 CFR 983.53, “Prohibition of Assistance for Ineligible Units”

¹³ 24 CFR 983.9, “Special Housing Types”

¹⁴ 24 CFR 983.152, “Purpose and Content of the Agreement to Enter into HAP Contract”

- h. A PHA is not permitted to attach or pay PBV assistance to units in any of the following types of subsidized housing:¹⁵
- i. A public housing dwelling unit;
 - ii. A unit subsidized with any other form of Section 8 assistance (tenant-based or project-based);
 - iii. A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent);
 - iv. A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
 - v. A unit subsidized with Section 236 rental assistance payments (12 U.S.C. 1715z-1). However, the PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments;
 - vi. A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, the PHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485);
 - vii. A Section 202 project for non-elderly persons with disabilities (assistance under Section 162 of the Housing and Community Development Act of 1987, 12 U.S.C. 1701q note);
 - viii. Section 811 project-based supportive housing for persons with disabilities (42 U.S.C. 8013);
 - ix. Section 202 supportive housing for the elderly (12 U.S.C. 1701q);
 - x. A Section 101 rent supplement project (12 U.S.C. 1701s);
 - xi. A unit subsidized with any form of tenant-based rental assistance (as defined at 24 CFR 982.1(b)(2)) (e.g., a unit subsidized with tenant-based rental assistance under the HOME program, 42 U.S.C. 12701 *et seq.*);
 - xii. A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or by the PHA in accordance with HUD requirements. For this purpose, “housing subsidy” does not include the housing component of a welfare payment; a social security payment; or a federal, state, or local

¹⁵ 24 CFR 983.54, “Prohibition of Assistance for Units in Subsidized Housing”

tax concession (such as relief from local real property taxes);

- i. A Public Housing Agency may provide PBV assistance only in accordance with HUD subsidy layering regulations (24 CFR 4.13) and other requirements. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) Housing Assistance Payment subsidy under the PBV Program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering requirements are not applicable to existing housing. A further subsidy layering review is not required for housing selected as new construction or rehabilitation of housing, if HUD's designee has conducted a review, which included a review of PBV assistance, in accordance with HUD's PBV subsidy layering review guidelines.

A Public Housing Agency is not permitted to enter into an AHAP or a HAP contract until HUD or a housing credit agency approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the Owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements¹⁶;

- j. Up to 100% of units within any given project may be awarded PBV assistance. However, in furtherance of the Housing Authority's commitment to the development of mixed-income housing, at its sole discretion, LMHA may limit the percentage of units that may be project-based at any given project to some amount less than 100%¹⁷;
- k. *General Site Selection Standards.*¹⁸ A Public Housing Agency may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP or a HAP contract for units on the site, unless the Agency has determined that:
 - i. Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. This determination will be made in a manner consistent with this Administrative Plan and with the Housing Authority's Local Project-Based Voucher Program MTW activity (#48-2017), which can be found in

¹⁶ 24 CFR 983.55, "Prohibition of Excess Public Assistance"

¹⁷ MTW Activity #48-2017, "Local Project-Based Voucher Program"

¹⁸ 24 CFR 983.57(b), "Compliance with PBV Goals, Civil Rights Requirements, and HQS "

LMHA's MTW Annual Plan. In making this determination, the Housing Authority will consider the following factors:

- (A) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
 - (B) Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
 - (C) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
 - (D) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
 - (E) Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
 - (F) If the poverty rate in the area where the proposed PBV development will be located is greater than 20%, LMHA will consider whether in the past five years there has been an overall decline in the poverty rate;
 - (G) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.
- ii. The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629); and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).
 - iii. The site meets the HQS site standards at 24 CFR 982.401(l);
1. *Site Selection Standards Applicable Only to Existing Housing and Rehabilitated*

*PBV Housing.*¹⁹ A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

- i. Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.);
 - ii. Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
 - iii. Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents;
 - iv. Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects;
- m. *Site Selection Standards Applicable Only to Newly Constructed PBV Housing.*²⁰
A site for newly constructed housing must meet the following site and neighborhood standards:

- i. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- ii. The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents. The site must not be located in an area of minority concentration, unless one of the two following conditions is met:

(A) Sufficient, Comparable Opportunities Standard. Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration.

¹⁹ 24 CFR 983.57(d), “Existing and Rehabilitated Housing Site and Neighborhood Standards”

²⁰ 24 CFR 983.57(e), “New Construction Site and Neighborhood Standards”

- (1) In this context, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.
- (2) Units may be considered “comparable opportunities,” if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

Application of this “sufficient, comparable opportunities standard” involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

- (1) A significant number of assisted housing units are available outside areas of minority concentration.
- (2) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
- (3) There are racially integrated neighborhoods in the locality.
- (4) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
- (5) Minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(6) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(7) Comparable housing opportunities have been made available outside areas of minority concentration through other programs;
or

(B) The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

- iii. The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- iv. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.
- v. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- vi. Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive;

n. *Environmental Review.*²¹

- i. LMHA will not enter into an AHAP or a HAP contract with an Owner, and the Housing Authority, the Owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

(A) The responsible entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and HUD has given a release of funds.

For the purpose of environmental review, a “release of funds” means that HUD has approved the Housing Authority’s Request for Release of Funds and Certification by issuing a Letter to Proceed (in lieu of using form HUD-7015.16) that authorizes LMHA to execute an AHAP or, for existing housing, to directly enter into a HAP contract with an Owner of units selected under the PBV Program;²²

(B) The responsible entity has determined that the project to be assisted is exempt under 24 CFR 58.34 or is categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or

(C) HUD has performed an environmental review under 24 CFR part 50 and has notified LMHA in writing of environmental approval of the site.

- ii. HUD will not approve the release of funds for PBV assistance if LMHA, the Owner, or any other party commits funds (*i.e.*, enters an AHAP or otherwise incurs any costs or expenditures to be paid or reimbursed with such funds) before the Housing Authority submits and HUD approves its request for release of funds (where such submission is required).
- iii. LMHA will oblige the Owner to carry out any mitigating measures required as a result of the environmental review;

3. Notice of Proposal Selection²³

²¹ 24 CFR 983.58, “Environmental Review.”

²² 24 CFR 983.3, “PBV Definitions”

²³ 24 CFR 983.51, “Owner Proposal Selection Procedures”

LMHA will give prompt written notice to the party that submitted a selected proposal, and will also give prompt public notice of such selection. Public notice procedures may include publication of a public notice in a local newspaper of general circulation (*Courier-Journal*) and other means that provide broad public notice. LMHA will make documentation regarding the basis for the Housing Authority's selection of a PBV proposal available for public inspection.

C. REQUIREMENTS FOR REHABILITATED AND NEWLY CONSTRUCTED UNITS

This Section 17.C applies only to newly constructed or rehabilitated housing and does not apply to existing housing. Newly constructed or rehabilitated housing cannot be selected as existing housing at a later date.²⁴

1. Agreement to Enter Into a HAP Contract (AHAP)²⁵

The AHAP is the HUD-approved legal instrument through which the Owner agrees to develop the contract units to comply with the Housing Authority's criteria for decent, safe, and sanitary units, and LMHA agrees that, upon timely completion of such development in accordance with the terms of the AHAP, the Housing Authority will enter into the HAP contract with the Owner for the contract units.

- a. LMHA will not enter into an AHAP if construction or rehabilitation has commenced after proposal submission but before execution of the AHAP. For the purpose of this determination, "construction" begins when excavation or site preparation (including clearing of the land) begins for the housing. "Rehabilitation" begins with the physical commencement of rehabilitation activity on the housing.
- b. LMHA will not enter into an AHAP until both the subsidy layering and environmental reviews are completed, and the Housing Authority has received the environmental approval.²⁶
- c. Required LMHA criteria for decent, safe, and sanitary housing that exceed HUD's Housing Quality Standards will be specified in the AHAP.
- d. At a minimum, the AHAP must describe the following features of the housing to be developed (newly constructed or rehabilitated) and assisted under the PBV Program:

²⁴ 24 CFR 983.151, "Applicability"

²⁵ 24 CFR 983.152, "Purpose and Content of the Agreement to Enter Into HAP Contract"

²⁶ 24 CFR 983.153, "When Agreement Is Executed"

- i. Site;
- ii. Location of contract units on site;
- iii. Number of contract units by area (size) and number of bedrooms and bathrooms;
- iv. Services, maintenance, or equipment to be supplied by the Owner without charges in addition to the Rent to Owner;
- v. Utilities available to the contract units, including a specification of utility services to be paid by Owner (without charges in addition to rent) and utility services to be paid by the tenant;
- vi. Indication of whether or not the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR 8.22 and 8.23 apply to units included in the AHAP. If these requirements are applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the AHAP;
- vii. Estimated initial Rents to Owner for the contract units; and
- viii. Description of the work to be performed under the AHAP. If the AHAP is for rehabilitation of units, the work description must include the rehabilitation work write up and, where determined necessary by LMHA, specifications and plans. If the AHAP is for new construction, the work description must include the working drawings and specifications.

2. Development Requirements²⁷

The Owner must carry out development work in accordance with the AHAP and with the following requirements:

a. Labor Standards

- i. In the case of an AHAP for development of nine or more contract units (whether or not completed in stages), the Owner and the Owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing.
- ii. The HUD-approved form of the AHAP shall include the labor standards

²⁷ 24 CFR 983.154, "Conduct of Development Work"

clauses required by HUD, such as those involving Davis-Bacon wage rates.

- iii. The Owner and the Owner's contractors and subcontractors must comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. LMHA will monitor compliance with labor standards.

b. Equal Opportunity

- i. Section 3 – Training, Employment, and Contracting Opportunities

The Owner must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135.

- ii. Equal Employment Opportunity

The Owner must comply with federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198) and 12138 (3 CFR, 1977 Comp., p. 393).

c. Eligibility to Participate in Federal Programs and Activities

The AHAP and HAP contracts shall include a certification by the Owner that the Owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on the U.S. General Services Administration list of parties excluded from federal procurement and nonprocurement programs.

d. Disclosure of Conflict of Interest

The Owner must disclose any possible conflict of interest that would be a violation of the AHAP, the HAP contract, or HUD regulations.

e. Broadband Infrastructure²⁸

Any new construction or substantial rehabilitation of a building with more than four rental units must include installation of broadband infrastructure. Broadband infrastructure includes cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, that is capable of providing access to Internet connections in individual housing units, and that

²⁸ 24 CFR 983.157, "Broadband Infrastructure"; 24 CFR 5.100, "Definitions"

meets the definition of “advanced telecommunications capability” determined by the Federal Communications Commission under section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302).

For the purpose of determining whether the installation of broadband infrastructure is required, the term “substantial rehabilitation” means work that involves:

- i. Significant work on the electrical system of the multifamily rental housing. “Significant work” means complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire electrical system. In the case of multifamily rental housing with multiple buildings with more than four units, “entire system” refers to the electrical system of the building undergoing rehabilitation; or
- ii. Rehabilitation of the multifamily rental housing in which the pre-construction estimated cost of the rehabilitation is equal to or greater than 75% of the total estimated cost of replacing the multifamily rental housing after the rehabilitation is complete. In the case of multifamily rental housing with multiple buildings with more than four units, the replacement cost must be the replacement cost of the building undergoing rehabilitation.

The installation of broadband infrastructure is not required when the Owner determines and documents the determination that:

- i. The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
- ii. The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
- iii. The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

3. Housing Completion

a. Documenting Housing Completion²⁹

The Owner must develop and complete the housing in accordance with the AHAP. The AHAP must specify the deadlines for completion of the housing and for submission by the Owner of the required evidence of completion.

²⁹ 24 CFR 983.155, “Completion of Housing”

The required evidence of completion shall consist of:

i. Minimum Submission

At a minimum, the Owner must submit the following evidence of completion to LMHA in the form and manner required by the Housing Authority:

- (A) Owner certification that the work has been completed in accordance with the Housing Authority's criteria for decent, safe, and sanitary housing and all requirements of the AHAP; and
- (B) Owner certification that the Owner has complied with labor standards and equal opportunity requirements in development of the housing.

ii. Additional Documentation

At the Housing Authority's discretion, the AHAP may specify additional documentation that must be submitted by the Owner as evidence of housing completion. For example, such documentation may include:

- (A) A certificate of occupancy or other evidence that the units comply with local requirements (such as code and zoning requirements); and
- (B) An architect's certification that the housing complies with:
 - (1) HUD housing quality standards;
 - (2) State, local, or other building codes;
 - (3) Zoning;
 - (4) The rehabilitation work write-up (for rehabilitated housing) or the work description (for newly constructed housing); or
 - (5) Any additional design or quality requirements pursuant to the AHAP.

4. LMHA Acceptance of Completed Units³⁰

³⁰ 24 CFR 983.156, "PHA Acceptance of Completed Units"

When LMHA has received Owner notice that the housing is completed, the Housing Authority will inspect the units to determine if the housing has been completed in accordance with the AHAP, including compliance with the Housing Authority's criteria for decent, safe, and sanitary housing, **except that in lieu of LMHA inspection of the units, the Owner may submit the Certificate of Occupancy issued by Louisville Metro Government.**³¹ LMHA will determine if the Owner has submitted all required evidence of completion.

If LMHA determines that the housing has been completed in accordance with the AHAP and that the Owner has submitted all required evidence of completion, the Housing Authority will submit the HAP contract for execution by the Owner and will then execute the HAP contract.

If the work has not been completed in accordance with the AHAP, LMHA will not enter into a HAP contract with the Owner.

D. THE HAP CONTRACT

The HAP contract is the HUD-approved legal instrument that describes the terms under which LMHA will make Housing Assistance Payments to the Owner. Housing assistance is paid for contract units leased and occupied by eligible Families during the HAP contract term.

With the exception of single family scattered site projects, a HAP contract covers a single project. If multiple projects exist, each project is covered by a separate HAP contract.³²

1. Contents of HAP Contract³³

The HAP contract must include:

- a. The total number of contract units by number of bedrooms;
- b. Information needed to identify the site and the building or buildings where the contract units are located. The information must include the project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- c. Information needed to identify the specific contract units in each building. The information must include the number of contract units in the building, the location of each contract unit, the area (square footage) of each contract unit, and the

³¹ MTW Activity #48-2017, "Local Project-Based Voucher Program"

³² 24 CFR 983.202, "Purpose of HAP Contract"

³³ 24 CFR 982.203, "HAP Contract Information"

number of bedrooms and bathrooms in each contract unit;

- d. Services, maintenance, and equipment to be supplied by the Owner without charges in addition to the Rent to Owner;
- e. Utilities available to the contract units, including a specification of utility services to be paid by the Owner (without charges in addition to rent) and utility services to be paid by the tenant. LMHA requires that the Owner pay for trash collection;
- f. Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
- g. The HAP contract term; and
- h. The initial Rent to Owner (for the first 12 months of the HAP contract term).

2. HAP Contract Certifications³⁴

By execution of the HAP contract, the Owner certifies that at such execution and at all times during the term of the HAP contract:

- a. All contract units are in good and tenantable condition. The Owner is maintaining the premises and all contract units in accordance with the Housing Authority's criteria for decent, safe, and sanitary housing to include HUD's Housing Quality Standards.
- b. The Owner is providing all the services, maintenance, equipment, and utilities as agreed to under the HAP contract and the Leases with assisted Families.
- c. Each contract unit for which the Owner is receiving Housing Assistance Payments is leased to an eligible Family, and the Lease is in accordance with the HAP contract and HUD requirements.
- d. To the best of the Owner's knowledge, the members of the Family reside in each contract unit for which the Owner is receiving Housing Assistance Payments, and the unit is the Family's only residence.
- e. The Owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any Family Member residing in a contract unit. This provision may be waived if LMHA determines that approving the unit would provide Reasonable Accommodation for a Family

³⁴ 24 CFR 983.210, "Owner Certification"

Member who is a Person with Disabilities.³⁵

- f. The amount of the Housing Assistance Payment is the correct amount due under the HAP contract.
- g. The Rent to Owner for each contract unit does not exceed rents charged by the Owner for other comparable unassisted units.
- h. Except for the Housing Assistance Payment and the tenant rent as provided under the HAP contract, the Owner has not received and will not receive any payment or other consideration (from the Family, LMHA, HUD, or any other public or private source) for rental of the contract unit.
- i. The Family does not own or have any interest in the contract unit. The certification required by this section does not apply in the case of an assisted Family's membership in a cooperative.
- j. Repair work on a project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

3. Term of HAP Contract³⁶

The initial term of the HAP contract will not exceed 20 years or be less than one year.

LMHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, for an additional term of up to 20 years if LMHA determines an extension is appropriate to continue providing affordable housing for low-income families.

LMHA may provide for multiple extensions; however, in no circumstance may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term provided that not more than 24 months prior to the expiration of the previous extension contract, the Housing Authority agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Any extension of the term must be included in the HAP contract.

³⁵ 24 CFR 983.251, "How Participants Are Selected"

³⁶ MTW Activity #48-2017, "Local Project-Based Voucher Program"; MTW Activity #48-2017, "Local Project-Based Voucher Program"

4. Termination of HAP Contract³⁷

a. Termination by LMHA for Insufficient Funding

The HAP contract will provide that the term of the Housing Authority's contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by LMHA in accordance with HUD instructions. In this context, "sufficient funding" means the availability of appropriations, and of funding under the Annual Contributions Contract from such appropriations, to make full payment of Housing Assistance Payments payable to the Owner for any contract year in accordance with the terms of the HAP contract.

The availability of sufficient funding must be determined by HUD or by LMHA 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 Housing Authority has the right to terminate the HAP contract by notice to the Owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD instructions.

b. Termination by Owner for Rent Reduction to Less Than Initial Rent

The Owner may terminate the HAP contract, upon notice to LMHA, if the amount of the re-determined Rent to Owner for any contract unit is reduced below the amount of the initial Rent to Owner (Rent to Owner at the beginning of the HAP contract term). In this case, the assisted families residing in the contract units will be offered tenant-based HCV assistance.

c. HAP Contract Expiration³⁸

Not less than one year before termination of a PBV HAP contract, the Owner must notify LMHA and assisted tenants of the termination. This is true both in the case of expiration of the HAP contract or an Owner's refusal to renew the HAP contract.

If an Owner does not give timely notice of termination, the Owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of an Owner's inability to collect an increased tenant portion of rent.

An Owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

³⁷ 24 CFR 983.205, "Term of HAP Contract"

³⁸ 24 CFR 983.206, "Statutory Notice Requirements: Contract Termination or Expiration"

Statutorily-required notices related to contract termination or expiration must be provided in the form prescribed by HUD.

5. HAP Contract Amendments to Add, Substitute, or Remove Contract Units³⁹

a. Adding Contract Units to HAP Contract

At the Housing Authority's discretion, a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same project. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.

Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

b. Substituting Units on HAP Contract

At the Housing Authority's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, LMHA will inspect the proposed substitute unit and determine the reasonable rent.

c. Removing Units from the HAP Contract⁴⁰

Units occupied by Families whose income has increased during their tenancy, resulting in the Tenant rent equaling the Rent to Owner, will be removed from the HAP contract 180 days following the last Housing Assistance Payment on behalf of the Family.

If the project is fully assisted, LMHA may reinstate the removed unit to the HAP contract after the ineligible Family vacates the property. If the project is partially assisted, a different unit may be substituted for the removed unit when the first

³⁹ 24 CFR 983.207, "HAP Contract Amendments (To Add or Substitute Contract Units)"

⁴⁰ 24 CFR 983.211, "Removal of Unit from HAP Contract"

eligible substitute becomes available.

The anniversary and expirations dates of the HAP contract for the unit must be the same as it was when it was originally placed under the HAP contract. LMHA will refer eligible Families to the Owner according to the Housing Authority's selection policies.

6. Discontinuation of Housing Assistance Payments when Tenant Rent Equals Rent to Owner⁴¹

Housing Assistance Payments will be discontinued should the Tenant Rent increase to such an extent that the Tenant Rent equals the Rent to Owner. The cessation of Housing Assistance Payments at such point will not affect the Family's other rights under its Lease, nor will such cessation preclude the resumption of Payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last Housing Assistance Payment by LMHA. After the 180-day period, the unit shall be removed from the HAP contract.

E. THE ADMISSIONS PROCESS

The protections for victims of domestic violence, dating violence, sexual assault, or stalking described in section 2.F of this Administrative Plan also apply to admission to the Housing Authority's PBV Program.

1. Filling Vacant Units⁴²

The Owner must promptly notify the LMHA of any vacancy or expected vacancy in a Contract Unit. After receiving the Owner notice, the Housing Authority will make every reasonable effort to refer promptly a sufficient number of Families for the Owner to fill such vacancies.

The Owner must lease vacant Contract Units only to eligible Families on the Housing Authority's waiting list who are referred by LMHA. The Owner may refer Families for placement on the waiting list.⁴³

Both LMHA and the Owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy. If any Contract Units have been vacant for a period of 120 or more days since the Owner provided notice of vacancy to LMHA (and notwithstanding the reasonable good faith efforts of LMHA to fill such vacancies), the Housing Authority may give notice to the Owner amending the HAP contract to reduce

⁴¹ 24 CFR 983.258, "Continuation of Housing Assistance Payments"

⁴² 24 CFR 983.254, "Vacancies"

⁴³ 24 CFR 983.251, "How Participants Are Selected"

the number of Contract Units by subtracting the number of Contract Units (by number of bedrooms) that have been vacant for such period.

2. Waiting List Management⁴⁴

a. Waiting List Structure

LMHA will use a separate waiting list for admission to PBV units. The Housing Authority will offer to place applicants for tenant-based assistance on the waiting list for PBV assistance. LMHA may establish separate site-based waiting lists at its discretion. LMHA will place Families referred by the PBV Owner on either its central PBV waiting list or on one or more separate site-based waiting lists, as requested.

Families who are participants in the Housing Authority's tenant-based HCV Program are eligible for the PBV Program, and may be placed on one or more PBV unit waiting lists. LMHA will not determine eligibility for current tenant-based HCV Program participants before offering PBV assistance as eligibility for these Families was determined upon original admission to the tenant-based HCV Program.

b. Admission Preferences

i. Use of Tenant-Based HCV Program Preferences

The admission preferences utilized in the Housing Authority's tenant-based HCV Program will also be used in its PBV Program.

ii. Former Beecher Terrace Residents

An admission preference will be given to eligible former Beecher Terrace public housing Families for PBV units that are identified as Beecher Terrace replacement units. LMHA will maintain a list of such eligible Families.

iii. In-Place Families

An "in-place family" is a PBV-eligible Family residing in a proposed contract unit on the proposal selection date.

In order to minimize displacement of in-place families, if a unit to be placed under contract that is either an existing unit or one requiring rehabilitation is occupied by an eligible Family on the proposal selection date, the in-place Family will be placed on the Housing Authority's waiting list (if the Family

⁴⁴ 24 CFR 983.251, "How Participants Are Selected"

is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project Owner for an appropriately sized PBV unit in the project. The Family must be eligible for the PBV Program on the date of proposal selection.

However, LMHA may deny assistance consistent with section 3.B of this Administrative Plan, “Grounds for Denial.”

c. Referrals to Owner from Waiting List

i. Units with Special Accessibility Features

In selecting Families to occupy PBV units with special accessibility features for Persons with Disabilities, LMHA will first refer Families who require such accessibility features to the Owner (see 24 CFR 8.26 and 100.202).

ii. Units in Elderly, Disabled, and Elderly/Disabled Buildings

Elderly, Disabled, and Elderly/Disabled Families will be referred to the Owners of elderly, disabled, and elderly/disabled buildings, respectively.

In the case of an elderly building, if there are no Elderly Families on the waiting list, Near-Elderly Families will be referred to the Owner. If there are no Elderly or Near-Elderly Families on the waiting list, the next Family on the waiting list will be referred to the Owner.

In the case of an elderly/disabled building, if there are no Elderly or Disabled Families on the waiting list, Near-Elderly Families will be referred to the Owner. If there are no Elderly, Disabled, or Near-Elderly Families on the waiting list, the next Family on the waiting list will be referred to the Owner.

In the case of a disabled building, if there are no Disabled Families on the waiting list, the next Family on the waiting list will be referred to the Owner.

iii. Units That Offer Services

In selecting Families for PBV units that offer services, LMHA will give preference to Disabled Families who need services offered at a particular project. However, preferences will not be granted to persons with a specific disability.

The preference is limited to the population of Families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing; who, without appropriate

supportive services, will not be able to obtain or maintain themselves in housing; and for whom such services cannot be provided in a nonsegregated setting.

Disabled residents will not be required to accept the particular services offered at the project.

In advertising the project, the Owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible Persons with Disabilities who may benefit from services provided in the project.

d. Offer of PBV Assistance

If a Family refuses the Housing Authority's offer of PBV assistance, such refusal does not affect the Family's position on the tenant-based HCV Program waiting list.

If a PBV Owner rejects a Family for admission to the Owner's PBV units, such rejection by the Owner does not affect the Family's position on the tenant-based HCV Program waiting list.

LMHA will not take any of the following actions against an Applicant who has applied for, received, or refused an offer of PBV assistance:

- i. Refuse to list the Applicant on the LMHA waiting list for tenant-based HCV Program assistance;
- ii. Deny any admission preference for which the Applicant is currently qualified;
- iii. Change the Applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the Housing Authority's selection policy;
- iv. Remove the Applicant from the waiting list for tenant-based HCV Program assistance.

F. LEASING A UNIT

1. Briefing Newly-Accepted Families⁴⁵

⁴⁵ 24 CFR 983.252, "PHA Information for Accepted Family"

a. Oral Briefing

When a Family accepts an offer of PBV assistance, LMHA will give the family an oral briefing that describes how the PBV Program works and explains Family and Owner responsibilities.

b. Information Packet

LMHA will give the Family a packet that includes information on the following subjects:

- i. How LMHA determines the Total Tenant Payment for a Family;
- ii. Family obligations under the Program;
- iii. Applicable fair housing information; and
- iv. A list of accessible PBV units.

c. Providing Information for Persons with Disabilities

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

d. Providing Information for Persons with Limited English Proficiency

LMHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with obligations contained in Title VI of the Civil Rights Act of 1964 and Executive Order 13166. The Housing Authority's "Language Action Plan for Persons with Limited English Proficiency" can be found in Appendix 4 of this Administrative Plan.

2. Tenant Screening⁴⁶

i. Tenant Screening by LMHA

LMHA will deny assistance consistent with the grounds for denial described in Section 3.B of this Administrative Plan.

ii. Tenant Screening by Owner⁴⁷

During the term of the HAP contract, the Owner must lease contract units only to

⁴⁶ 24 CFR 983.255, "Tenant Screening"

⁴⁷ 24 CFR 983.253, "Leasing of Contract Units"

eligible Families selected and referred by LMHA from the Housing Authority's waiting list. The Owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to Program eligibility and an Applicant's ability to perform the Lease obligations.

The Owner is responsible for any additional suitability screening of prospective Tenants beyond that conducted by LMHA in accordance with Section 3.B of this Plan. Such screening must be done in a manner consistent with Section 6.H of this Plan. In furtherance of Owner suitability screening, the Housing Authority will disclose Applicant Family information to the extent required by HUD as described in Section 6.H.

The Owner must promptly notify in writing any rejected Applicant of the grounds for such rejection.

In screening prospective Tenants, the Owner must comply with the protections for victims of domestic violence, dating violence, sexual assault, or stalking described in section 2.F of this Administrative Plan.

3. The Lease⁴⁸

- a. The Tenant and the Owner must enter a written Lease for the unit. The Lease must be executed by the Owner and the Tenant.
- b. The Tenant must have legal capacity to enter a Lease under state and local law. "Legal capacity" means that the Tenant is bound by the terms of the Lease and may enforce the terms of the Lease against the Owner.
- c. If the Owner uses a standard Lease form for rental to unassisted Tenants in the locality or the premises, the Lease must be in such standard form, unless LMHA determines that the Owner's standard Lease does not conform with state or local law. If the Owner does not use a standard Lease form for rental to unassisted tenants, the Owner may use another form of Lease, such as an LMHA model Lease.
- d. In all cases, the Lease must include the HUD-required tenancy addendum. The terms of the tenancy addendum will prevail over other provisions of the Lease. The tenancy addendum must include, word-for-word, all provisions required by HUD.⁴⁹
- e. LMHA may review the Owner's Lease form to determine if the Lease complies

⁴⁸ 24 CFR 983.256, "Lease"

⁴⁹ A copy of the Section 8 Project-Based Voucher Program Tenancy Addendum (Form HUD-52530.c) can be found in Appendix 3, "Commonly Used Documents."

with state and local law. The Housing Authority may decline to approve the tenancy if it determines that the Lease does not comply with state or local law.

- f. The Lease must specify all of the following:
 - i. The names of the Owner and the Tenant;
 - ii. The unit rented (address, apartment number, if any, and any other information needed to identify the leased Contract Unit);
 - iii. The term of the Lease (initial term and any provision for renewal);
 - iv. The Tenant Rent to Owner is subject to change during the term of the Lease in accordance with HUD requirements and any regulatory flexibilities described in the Housing Authority's HUD-approved MTW Annual Plan;
 - v. A specification of what services, maintenance, equipment, and utilities are to be provided by the Owner; and
 - vi. The amount of any charges for food, furniture, or supportive services.
- g. *Changes to the Lease*
 - i. If the Tenant and the Owner agree to any change in the Lease, such change must be in writing, and the Owner must immediately give LMHA a copy of all such changes.
 - ii. The Owner must notify LMHA in advance of any proposed change in Lease requirements governing the allocation of Tenant and Owner responsibilities for utilities. Such changes may be made only if approved by the Housing Authority and in accordance with the terms of the Lease relating to its amendment. LMHA will redetermine the reasonable rent based on any change in the allocation of responsibility for utilities between the Owner and the Tenant, and the redetermined reasonable rent will be used in the calculation of Rent to Owner from the effective date of the change.
- h. *Lease Term*
 - i. The initial Lease term must be for at least one year, and the Lease must provide for automatic renewal after the initial term of the Lease. The Lease may provide either:
 - (A) For automatic renewal for successive definite terms (e.g., month-to-month or year-to-year); or

(B) For automatic indefinite extension of the Lease term.

ii. The term of the Lease terminates if any of the following occurs:

(A) The Owner terminates the Lease for good cause;

(B) The Tenant terminates the Lease;

(C) The Owner and the Tenant agree to terminate the Lease;

(D) LMHA terminates the HAP contract; or

(E) LMHA terminates assistance for the Family.

i. *Lease Provisions Governing Absence from the Unit*

The Lease may specify a maximum period of Family absence from the unit that may be shorter than the maximum period permitted by LMHA policy. See Section 1.D.3.h of this Plan.

The unit will not be terminated from the HAP contract based solely on the grounds that the Family is absent for longer than the maximum period permitted.

j. *Owner Termination of Lease and/or Tenancy*⁵⁰

The permissible grounds for Owner termination of the Lease and/or tenancy are described in Section 12.A.2 of this Plan except that in the PBV Program, “good cause” does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose.

The provisions for the protection of victims of domestic violence, dating violence, sexual assault, or stalking described in Section 2.F of this Plan apply to Owner Termination of the Lease, to Owner Termination of Tenancy, and to Eviction.

4. Security Deposits⁵¹

The Owner may collect a security deposit from the Tenant. However, LMHA prohibits security deposits in excess of private market practice or in excess of amounts charged by the Owner to unassisted Tenants.

When the Tenant moves out of the Contract Unit, the Owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance

⁵⁰ 24 CFR 983.257, “Owner Termination of Tenancy and Eviction”

⁵¹ 24 CFR 983.259, “Security Deposit: Amounts Owed by Tenant”

with the Lease, as reimbursement for any unpaid Tenant rent, damages to the unit, or other amounts that the Tenant owes under the Lease.

The Owner must give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the Owner, the Owner must promptly refund the full amount of the balance to the Tenant.

If the security deposit is not sufficient to cover amounts the Tenant owes under the Lease, the Owner may seek to collect the balance from the Tenant. However, LMHA has no liability or responsibility for payment of any amount owed by the Family to the Owner.

G. CONTINUED ASSISTANCE

1. Family Right to Terminate Lease and Retain Assistance⁵²

The Family may terminate the assisted Lease at any time after the first year of occupancy. The Family must give the Owner advance written notice of intent to vacate (with a copy to LMHA) in accordance with the Lease.

If the Family elects to terminate the Lease in this manner, LMHA will offer the Family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the tenant-based HCV Program or other comparable tenant-based rental assistance.

If the Family terminates the assisted Lease before the end of one year, the Family relinquishes the opportunity for continued tenant-based assistance.

Before providing notice to terminate the Lease, the Family must contact LMHA to request comparable tenant-based rental assistance if the Family wishes to move with continued assistance. If tenant-based HCV assistance or other comparable tenant-based rental assistance is not immediately available upon termination of the Family's Lease of a PBV unit, the Housing Authority will give the Family priority to receive the next available opportunity for continued tenant-based rental assistance.

In the case of a Family or Family Member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, where the move is needed to protect the health or safety of the Family or Family Member, or in the case of a Family Member who has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the Family's request to move, the Family may move with continued tenant-based rental assistance even if the move occurs before the end of the first year of the Lease.

⁵² 24 CFR 983.261, "Family Right to Move"

LMHA will not terminate assistance if the Family, with or without prior notification to the Housing Authority, moves out of a unit in violation of the Lease, if such move occurs to protect the health or safety of a Family Member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was threatened with imminent harm from further violence if he or she remained in the dwelling unit, or if any Family Member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the Family's request to move.

If a Family breaks up as a result of an occurrence of domestic violence, dating violence, sexual assault, or stalking, LMHA will offer the victim the opportunity for continued tenant-based rental assistance.

2. Families Occupying a Wrong-Size or Accessible Unit⁵³

If LMHA determines that the Family is occupying a Wrong-Size Unit⁵⁴ or a unit with accessibility features that the Family does not require, and the unit is needed by a Family that requires the accessibility features, LMHA will promptly notify the Family and the Owner of this determination, and of the Housing Authority's offer of continued assistance for the Family in another unit.

The Family will be offered the following options (as available):

- a. PBV assistance (in the same project or in another project);
- b. A public housing unit within an LMHA-managed development; or
- c. A tenant-based HCV Program voucher.

If the Family selects PBV assistance or a public housing unit or refuses to accept any offer of continued assistance, and the Family does not move out of the Wrong-Size or accessible unit within 90 calendar days, LMHA will terminate the Housing Assistance Payments for the Wrong-Size or accessible unit and remove the unit from the HAP contract.

If the Family selects tenant-based HCV assistance, the Housing Assistance Payments for the Wrong-Size or accessible unit will terminate at the earlier of the expiration of the term of the Family's voucher (including any extension granted by LMHA) or the date upon which the Family vacates the unit. If the Family does not move out of the Wrong-Size or accessible unit by the expiration date of the term of the Family's

⁵³ 24 CFR 983.260, "Overcrowded, Under-Occupied, and Accessible Units"

⁵⁴ See Section 6.A of this Plan for a description of the Housing Authority's subsidy standards, which are applicable to its PBV Program.

voucher, LMHA will remove the unit from the HAP contract.

H. RENT TO OWNER

1. Amount of Rent to Owner

a. Amount of Rent to Owner for All Units Excluding Certain Tax Credit Units

Except for certain tax credit units as provided in Section 17.H.1.b of this Plan, the Rent to Owner must not exceed the lowest of:

- i. An amount determined by LMHA, not to exceed 110% of the applicable fair market rent (or any exception payment standard⁵⁵ approved by HUD) for the unit bedroom size minus any utility allowance;
- ii. The reasonable rent (unless LMHA has elected within the HAP contract not to reduce rents below the initial Rent to Owner and, upon redetermination of the Rent to Owner, the reasonable rent would result in a rent below the initial rent); or
- iii. The rent requested by the Owner.

b. Amount of Rent to Owner for Certain Tax Credit Units

i. Applicability

This alternate method for determining the amount of Rent to Owner for certain tax credit units applies only to Contract Units that meet all four of the following requirements:

- (A) The Contract Unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42);
- (B) The Contract Unit is not located in a qualified census tract;

A “qualified census tract” is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which:

- (1) At least 50% of households have an income of less than 60% of Area Median Gross Income (AMGI); or

⁵⁵ LMHA uses the same Payment Standards schedule in both its tenant-based HCV Program and PBV Program, including for Exception Payment Standard Areas. See Appendix 1.

(2) Where the poverty rate is at least 25% and where the census tract is designated as a qualified census tract by HUD;

(C) In the same building, there are comparable tax credit units of the same unit bedroom size as the Contract Unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and

(D) The tax credit rent exceeds the applicable fair market rental (or any exception payment standard) as determined in accordance with Section 17.H.1.a of this Plan.

The “tax credit rent” is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., additional assistance such as tenant-based HCV assistance).

ii. Method for Determining Amount of Rent to Owner

The Rent to Owner must not exceed the lowest of:

(A) The tax credit rent minus any utility allowance;

(B) The reasonable rent (unless LMHA has elected within the HAP contract not to reduce rents below the initial Rent to Owner and, upon redetermination of the Rent to Owner, the reasonable rent would result in a rent below the initial rent); or

(C) The rent requested by the Owner.

2. Initial and Redetermined Rents to Owner

a. Determining the Initial Rent to Owner⁵⁶

The amount of the initial Rent to Owner is established at the beginning of the HAP contract term. For rehabilitated or newly constructed housing, the AHAP states the estimated amount of the initial Rent to Owner, but the actual amount of the initial Rent to Owner is established at the beginning of the HAP contract term.

When determining the initial Rent to Owner, LMHA will use the most recently published Fair Market Rents in effect and the utility allowance schedule in effect at execution of the HAP contract. At its discretion, the Housing Authority may use the amounts in effect at any time during the 30-day period immediately before

⁵⁶ 24 CFR 983.301, “Determining the Rent to Owner”

the beginning date of the HAP contract.

*b. Redetermining the Rent to Owner*⁵⁷

i. When the Rent to Owner Will Be Redetermined

LMHA will redetermine the Rent to Owner:

(A) Upon the Owner's request; or

(B) When there is a 10% decrease in the published FMR.

ii. Use of Fair Market Rents and Utility Allowances in Rent to Owner Redeterminations

When redetermining the Rent to Owner, LMHA will use the most recently published Fair Market Rents and the Housing Authority utility allowance schedule in effect at the time of redetermination. At its discretion, LMHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

As required by HUD, LMHA uses the same utility allowance schedule in both its tenant-based HCV Program and its PBV Program.

ii. Notice of Rent Redetermination

Rent to Owner is redetermined by written notice by LMHA to the Owner specifying the amount of the redetermined rent. The Housing Authority's notice of the rent adjustment constitutes an amendment of the Rent to Owner specified in the HAP contract.

ii. Rent Increases

The Owner must request an increase in the Rent to Owner at least 60 calendar days before the annual anniversary date of the HAP contract by written notice to LMHA. The request must be submitted in the form and manner required by the Housing Authority.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted Rent to Owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

⁵⁷ 24 CFR 983.302, "Redetermination of Rent to Owner"

LMHA will not approve annual Rent to Owner requests that exceed 2% of the current Rent to Owner.⁵⁸

LMHA will not approve and the Owner may not receive any increase of Rent to Owner until and unless the Owner has complied with all requirements of the HAP contract, including compliance with the Housing Authority's criteria for decent, safe, and sanitary housing. The Owner will not receive any retroactive increase of rent for any period of noncompliance.

iii. Rent Decreases

If at rent redetermination, LMHA determines that the Rent to Owner must be decreased, then the Rent to Owner must be decreased regardless of whether the Owner requested a rent adjustment.

The Rent to Owner shall not be reduced below the initial Rent to Owner for dwelling units under the initial HAP contract, except:

- (A) To correct errors in calculations in accordance with HUD requirements;
- (B) If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required to prohibit excess public assistance to the units; or
- (C) If a decrease in Rent to Owner is required based on changes in the allocation of responsibility for utilities between the Owner and the Tenant.

c. *Determination of Rent to Owner for LMHA-Owned Units*

For LMHA-owned PBV units, the initial Rent to Owner and all redeterminations of Rent to Owner will be determined by an independent entity approved by HUD.

3. Reasonable Rent⁵⁹

a. *When the Reasonable Rent Will Be Determined*

LMHA will determine the reasonable rent:

- i. At the beginning of the initial HAP contract term;
- ii. Whenever there is a 10% decrease in the published Fair Market Rents in

⁵⁸ MTW Activity #39-2014, "Contract Rent Increase Limit"

⁵⁹ 24 CFR 983.303, "Reasonable Rent"

effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR in effect one year before the contract anniversary;

- iii. Whenever LMHA approves a change in the allocation of responsibility for utilities between the Owner and the Tenant;
- iv. Whenever the HAP contract is amended to substitute a different Contract Unit in the same building or project; and
- v. Whenever there is any other change that may substantially affect the reasonable rent.

b. How the Reasonable Rent Will Be Determined

i. Comparability Analysis

The reasonable rent of a Contract Unit must be determined by comparison to rent for other comparable unassisted units. In determining the reasonable rent, LMHA will consider factors that affect market rent, such as:

- (A) The location, quality, size, unit type, and age of the Contract Unit; and
- (B) Amenities, housing services, maintenance, and utilities to be provided by the Owner.

For each unit, the comparability analysis will use at least three comparable units in the private unassisted market, which may include comparable unassisted units in the premises or project.

LMHA will retain documentation of the comparability analysis that shows how the reasonable rent was determined, including major differences between the Contract Units and comparable unassisted units.

The comparability analysis may be performed by LMHA staff or by another qualified person or entity. A person or entity that conducts the comparability analysis and any Housing Authority staff or contractor engaged in determining the Housing Assistance Payment based on the comparability analysis may not have any direct or indirect interest in the property.

ii. Owner Certification of Comparability

By accepting each monthly Housing Assistance Payment from LMHA, the Owner certifies that the Rent to Owner is not more than rent charged by the Owner for comparable unassisted units in the premises. The Owner must

give the Housing Authority information requested by LMHA on rents charged by the Owner for other units in the premises or elsewhere.

iii. LMHA-Owned Units

For LMHA-owned units, the amount of the reasonable rent will be determined by an independent agency approved by HUD.

The independent entity will furnish a copy of the independent entity determination of reasonable rent both to LMHA and to the HUD field office.

4. Effect of Other Subsidy on Rent to Owner⁶⁰

a. Units Assisted Under the HOME Program

For Contract Units assisted under the HOME program, rents may not exceed rent limits as required by the HOME program (24 CFR 92.252).

b. Units Subsidized Through Other Federal Programs

For Contract Units assisted under the following federal programs, the Rent to Owner may not exceed the subsidized rent (basic rent) as determined in accordance with requirements for the applicable federal program:

- i. An insured or non-insured Section 236 project;
- ii. A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- iii. A Section 221(d)(3) below market interest rate (BMIR) project;
- iv. A Section 515 project of the Rural Housing Service;
- v. Any other type of federally subsidized project specified by HUD.

c. Subsidy Layering Requirements

Rent to Owner may not exceed any limitation required to comply with HUD subsidy layering requirements. At the direction of HUD or its designee, LMHA will reduce the Rent to Owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized financing.

⁶⁰ 24 CFR 983.304, “Other Subsidy: Effect on Rent to Owner”

I. PAYMENTS TO OWNER

1. Housing Assistance Payments for Occupied Contract Units⁶¹

Unless the Owner and LMHA agree on a later date, on or about the first day of each month for which payment is due, LMHA will make a Housing Assistance Payment to the Owner for each Contract Unit that complies with the Housing Authority's criteria for decent, safe, and sanitary housing and is leased to and occupied by an eligible Family in accordance with the HAP contract. To receive Housing Assistance Payments in accordance with the HAP contract, the Owner must comply with all the provisions of the HAP contract. Unless the Owner complies with all the provisions of the HAP contract, the Owner does not have a right to receive Housing Assistance Payments.

The monthly Housing Assistance Payment by LMHA to the Owner for a Contract Unit leased to a Family is the Rent to Owner minus the Tenant Rent (Total Tenant Payment minus the utility allowance).

Except for discretionary vacancy payments, LMHA will not make any Housing Assistance Payment to the Owner for any month after the month when the Family moves out of the unit (even if household goods or property are left in the unit).

2. Vacancy Payments⁶²

If an assisted Family moves out of the unit, the Owner may keep the Housing Assistance Payment payable for the calendar month when the Family moves out ("move-out month"). However, the Owner may not keep the payment if LMHA determines that the vacancy is the Owner's fault.

At the Housing Authority's discretion, the HAP contract may provide for vacancy payments to the Owner for an LMHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The vacancy payment to the Owner for each month of the maximum two-month period would be determined by LMHA, and cannot exceed the monthly Rent to Owner under the assisted Lease, minus any portion of the rental payment received by the Owner (including amounts available from the Tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

LMHA will only make vacancy payments to the Owner if:

- a. The Owner submits a request for vacancy payment in the form and manner required by LMHA;

⁶¹ 24 CFR 983.351, "PHA Payment to Owner for Occupied Unit"

⁶² 24 CFR 983.352, "Vacancy Payment"

- b. The Owner gives LMHA prompt, written notice certifying that the Family has vacated the unit and containing the date when the Family moved out (to the best of the Owner's knowledge and belief);
- b. The Owner certifies that the vacancy is not the fault of the Owner and that the unit was vacant during the period for which payment is claimed;
- c. The Owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- d. The Owner provides any additional information required and requested by LMHA to verify that the Owner is entitled to the vacancy payment or to determine the amount of the vacancy payment.

3. Tenant Rent⁶³

The tenant rent is the portion of the Rent to Owner paid by the Family. It is determined by LMHA, and is equal to the Total Tenant Payment minus the utility allowance. The tenant rent is payment for all housing services, maintenance, equipment, and utilities to be provided by the Owner without additional charge to the Tenant, in accordance with the HAP contract and Lease. The Owner may not demand or accept any rent payment from the Tenant in excess of the tenant rent, and must immediately return any excess payment to the Tenant.

Any changes in the amount of the tenant rent will be effective on the date stated in a notice by LMHA to the Family and the Owner.

The Family is not responsible for payment of the portion of the Rent to Owner covered by the Housing Assistance Payment under the HAP contract. The Owner may not terminate the tenancy of an assisted Family for nonpayment of the LMHA Housing Assistance Payment.

LMHA is responsible only for making Housing Assistance Payments to the Owner on behalf of a Family in accordance with the HAP contract. The Housing Authority is not responsible for paying the tenant rent, or for paying any other claim by the Owner.

LMHA will not use Housing Assistance Payments or other program funds (including any administrative fee reserve) to pay any part of the tenant rent or to pay any other claim by the Owner. The Housing Authority will not make any payment to the Owner for any damage to the unit, or for any other amount owed by a Family under the Family's Lease or otherwise.

⁶³ 24 CFR 983.353, "Tenant Rent: Payment to Owner"

If the amount of the utility allowance exceeds the total tenant payment, the PHA shall pay the amount of such excess to the Family as a reimbursement for tenant-paid utilities (“utility reimbursement”) and the tenant rent to the owner shall be zero.

4. Other Fees and Charges⁶⁴

Except in assisted living developments receiving PBV assistance, the Owner may not require the Tenant or Family Members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving project-based assistance, Owners may charge Tenants, Family Members, or both for meals or supportive services. These charges may not be included in the Rent to Owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the Lease by the Owner in an assisted living development.

The owner may not charge the Tenant or Family Members extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

J. ENSURING UNITS ARE DECENT, SAFE, AND SANITARY

1. Criteria for Decent, Safe, and Sanitary Units⁶⁵

The Housing Authority’s PBV Program will follow the physical condition criteria for decent, safe, and sanitary units described for its tenant-based HCV Program in Section 13.0 of this Administrative Plan with the following exceptions:

- a. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program; and
- b. The lead-based paint requirements at 24 CFR 982.401(j) do not apply to the PBV program;

2. Types of Inspections⁶⁶

a. Pre-Selection Inspections

LMHA will examine the proposed site and inspect all existing housing units before the proposal selection date. Existing units must substantially comply with the Housing Authority’s criteria for decent, safe, and sanitary housing before the

⁶⁴ 24 CFR 983.354, “Other Fees and Charges”

⁶⁵ 24 CFR 983.101, “Housing Quality Standards”

⁶⁶ 24 CFR 983.103, “Inspecting Units”

proposal selection date.

b. Pre-HAP Contract Execution Inspections

LMHA will inspect all housing units before executing the HAP contract, and will not enter into a HAP contract covering any unit that does not fully comply with the Housing Authority's criteria for decent, safe, and sanitary housing.

For new construction and rehabilitated units, LMHA will accept the Certificate of Occupancy as evidence that all units meet the Housing Authority's criteria for decent, safe, and sanitary housing in lieu of conducting an inspection.⁶⁷

c. Periodic Inspections

LMHA will inspect all units annually. All units within a single building will be inspected concurrently.⁶⁸

In the case of mixed-finance properties assisted with project-based vouchers (authorized at 42 U.S.C. 1437f(o)(13)) that is subject to an alternative inspection, LMHA may rely upon the alternate inspection. However, all units must be inspected, either by LMHA or through an alternative inspection process, at least once per year.

d. Complaint Inspections

LMHA will conduct complaint inspections of contract units when requested by a tenant to determine whether or not the contract unit complies with the Housing Authority's criteria for decent, safe, and sanitary housing and to verify that the Owner is providing maintenance, utilities, and other services in accordance with the HAP contract.

e. Follow-up Inspections

LMHA will conduct follow-up inspections needed to determine if the Owner (or, if applicable, the Family) has corrected any violation of the Housing Authority's criteria for decent, safe, and sanitary housing, and to determine the basis for exercise of contractual and other remedies for Owner or Family violation of the decent, safe, and sanitary housing criteria.

f. Quality Control Inspections

When conducting supervisory quality control inspections, LMHA will include a representative sample of both tenant-based and project-based units.

⁶⁷ MTW Activity #48-2017, "Local Project-Based Voucher Program"

⁶⁸ MTW Activity #48-2017, "Local Project-Based Voucher Program"

g. Inspections of LMHA-Owned Units

In the case of LMHA-owned units, required inspections will be performed by an independent entity approved by HUD. Neither LMHA nor the independent entity will charge the Family any fee for the services provided by the independent entity.

The independent entity will furnish a copy of each inspection report to LMHA and to the HUD field office.

LMHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the Public Housing Agency owner.

3. Responsibility for Condition of Contract Units⁶⁹

a. Owner Responsibility

The Owner must maintain and operate the contract units and premises in accordance with the Housing Authority's criteria for decent, safe, and sanitary housing, including performance of ordinary and extraordinary maintenance. The Owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract and in the Lease with each assisted Family. Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the Owner.

b. LMHA Responsibility

LMHA will vigorously enforce the Owner's obligation to maintain contract units in accordance with its criteria for decent, safe, and sanitary housing. The Housing Authority will not make any HAP payment to the Owner for a contract unit covering any period during which the contract unit does not comply with the criteria.

If LMHA determines that a contract unit is not in accordance with its criteria for decent, safe, and sanitary housing (or other HAP contract requirement), the Housing Authority may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination of Housing Assistance Payments, abatement or reduction of Housing Assistance Payments, reduction of contract units, and termination of the HAP contract.

⁶⁹ 24 CFR 983.208, "Condition of Contract Units"

GLOSSARY

Agreement to enter into HAP contract (AHAP). A written contract between the Public Housing Agency and the Owner. The AHAP defines requirements for development of housing to be assisted under the PBV Program. When development is completed by the Owner in accordance with the AHAP, the Public Housing Agency enters into a HAP contract with the Owner. The AHAP is not used for Existing Housing assisted under the PBV Program. (24 CFR 983.3)

Contract Units. The housing units covered by a HAP contract. (24 CFR 983.3)

Elderly Family. A Family whose Head (including Co-Head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more Live-In Aides. (24 CFR 5.403) **For the purpose of determining the order in which Families are referred by LMHA to the Owner of an elderly or elderly/disabled building in the PBV Program, a Family whose Head (including Co-Head), spouse, or sole member is a person who is at least 55 years of age. It may include two or more persons who are at least 55 years of age living together, or one or more persons who are at least 55 years of age living with one or more Live-In Aides. (MTW Activity #48-2017, “Local PBV Program)**

Existing Housing. A housing unit is considered an existing unit for purposes of the PBV Program, if at the time of notice of Public Housing Agency selection the units substantially comply with HUD-required Housing Quality Standards [and any additional LMHA criteria for decent, safe, and sanitary housing].

- A. Units for which rehabilitation or new construction began after Owner's proposal submission but prior to execution of the AHAP do not subsequently qualify as existing housing.
- B. Units that were newly constructed or rehabilitated in violation of [PBV] Program requirements also do not qualify as existing housing. (24 CFR 983.52)

Newly Constructed Housing. Housing units that do not exist on the Proposal Selection Date and are developed after the date of selection pursuant to an AHAP between the Public Housing Agency and Owner for use under the PBV program. (24 CFR 983.3)

Partially Assisted Project. [In the PBV Program,] a project in which there are fewer Contract Units than residential units. (24 CFR 983.3)

Project. [In the PBV Program,] a project is a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. *Contiguous* in this definition includes “adjacent to,” as well as touching along a boundary or a point. (24 CFR 983.3)

Proposal Selection Date. The date the Public Housing Agency gives written notice of PBV proposal selection to an Owner whose proposal is selected in accordance with the criteria

established in the Public Housing Agency's [Housing Choice Voucher / Section 8] Administrative Plan. (24 CFR 983.3)

Rehabilitated Housing. Housing units that exist on the Proposal Selection Date, but do not substantially comply with the HUD-required Housing Quality Standards [and any additional LMHA criteria for decent, safe, and sanitary housing] on that date, and are developed, pursuant to an AHAP between the Public Housing Agency and Owner, for use under the PBV Program. (24 CFR 983.3)

Wrong-Size Unit. A unit occupied by a Family that does not conform to the Housing Authority's subsidy guideline for family size, by being either too large or too small compared to the guideline. (24 CFR 983.3)

APPENDIX 9: SPECIAL REFERRAL PROGRAMS

Using regulatory flexibilities provided through the Department of Housing and Urban Development's Moving to Work (MTW) Program, the Louisville Metro Housing Authority (LMHA) has created a number of unique Special Referral Programs in partnership with local social service organizations. These programs assist traditionally underserved populations, including the homeless and those with severe mental illness, by combining rental assistance with wraparound social services.

Special Referral Program Applicants must meet both Housing Choice Voucher (HCV) Program eligibility requirements and any additional eligibility criteria of the social service partner. Families interested in participating in one of these Special Referral Programs should contact the social service partner directly. Contact information for each partner agency is listed on the following page.

Note: Participants in a number of these programs are required to reside in housing units designated by the partner agency. Other programs allow participants to select a housing unit anywhere within the LMHA jurisdiction, subject to the same limits normally imposed on unit selection in the tenant-based HCV Program. Prospective Applicants should contact the social service partner directly to find out whether or not they will be required to live at a certain housing site.

Louisville Metro Housing Authority Special Referral Programs

Social Service Partner	Population Served	Contact Information			Vouchers Available
		Address	Phone ⁷⁰	Web	
Center for Accessible Living (Mainstream Program)	Families where head-of-household or spouse is disabled	305 W. Broadway, Suite 200, 40202	Voice: 589-6620 TTY: 589-6690	www.calky.org/services/housing	300
Center for Women & Families	Victims of domestic or sexual violence	927 S. 2 nd St., 40206	581-7200	www.thecenteronline.org	22
Centerstone	Those with Severe Mental Illness	101 W. Muhammad Ali Blvd, 40202	589-1100	www.sevencounties.org	50
Choices	Homeless Families	419 S. Shelby St, 40202	585-3780	www.choiceshome.org	5
ChooseWell Communities	Pregnant or post-partum mothers who have completed addiction treatment	323 W. Broadway, #504, 40202	800-520-4914	www.choosewell.org/what-we-do/project-thrive/	70
Coalition for the Homeless	Homeless Families with school-age child(ren)	1300 S. 4th St., #250, 40208	636-9550	http://louhomeless.org	20
Coalition for the Homeless	Chronically homeless Families transitioning from homeless services vouchers	1300 S. 4th St., #250, 40208	636-9550	http://louhomeless.org	100
Day Spring	Adults with developmental disabilities	3430 Day Spring Ct., 40213	636-5990	http://dayspringky.org	4
Family & Children's Place	Those leaving an institution who are also at risk of homelessness	525 Zane St., 40203	893-3900	http://www.familyandchildrensplacelc.org/our-services/homeless-prevention-services/	10
Family Scholar House	One parent Families where parent has high school diploma or GED & wishes to pursue college degree	403 Reg Smith Circle, 40208	584-8090	www.familyscholarhouse.org	284
House of Ruth	Individuals who are homeless & HIV-positive	607 E. St. Catherine St., 40203	587-5080	http://www.houseofruth.net/our-programs/glade-house/	10
Kentucky Cabinet for Health & Family Services (Partnership for Families)	Families where housing is the only remaining issue preventing reunification of child(ren) with parents or child(ren) being removed from household	CHFS DCBS Jefferson Regional Office 908 W. Broadway, 4 East, 40203	595-4732	http://chfs.ky.gov/	70

⁷⁰ Area code is 502 unless otherwise noted.

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Housing Choice Voucher (HCV) Program Administrative Plan
For Public Comment: March 17, 2017 – April 17, 2017

Kentucky Cabinet for Health & Family Services / Kentucky Housing Corporation	Families where at least one Family Member has a severe psychiatric illness	CHFS DCBS Jefferson Regional Office 908 W. Broadway, 4 East, 40203	595-4732	http://chfs.ky.gov/	10
Kentucky Department for Behavioral Health	Individuals with severe & persistent psychiatric illness	100 Fair Oaks Ln., 4E-B, Frankfort, KY, 40621	564-4527	http://dbhdid.ky.gov	60
Louisville Substance Abuse & Mental Health Administration Community Consortium (100,000 Homes Initiative)	Chronically Homeless Families	712 E. Muhammad Ali Blvd, 40202	568-6972	http://www.fhcloisville.org/health-services/healthcare-for-the-homeless	130
Phoenix Health Center	Families leaving HUD's Shelter + Care Program	712 E. Muhammad Ali Blvd, 40202	568-6972	http://www.fhcloisville.org/health-services/healthcare-for-the-homeless	10
St. Vincent DePaul	Homeless, disabled Families with children	1015-C S. Preston St., 40203	584-2480	https://www.svdplou.org/housing-programs/	10
Wellspring	Individuals with severe & persistent psychiatric illness or intellectual disabilities	PO Box 1927, 40201	753-1456	www.wellspring-house.org	23