



MPHA Housing Choice Voucher Program

Operating Procedures

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OVERVIEW AND PURPOSE OF THE OPERATING PROCEDURES

The MPHA Statement of Corporate Policies governs these Operating Procedures, which were developed in conjunction with the broad authority granted to MPHA as a Moving to Work Agency. MPHA's Moving to Work Authority is described in the Statement of Corporate Policies and as follows:

MOVING TO WORK DEMONSTRATION PROGRAM

- 1. As a Moving to Work agency, Minneapolis Public Housing Authority will establish, implement and evaluate innovative affordable housing strategies that are designed to achieve greater success in helping low-income families achieve economic independence.*
- 2. While recognizing that implementation of strategic initiatives may be immediate, progressive, or refined through various activities and demonstration programs, the implementation of those strategic initiatives, not expressly enumerated in Minneapolis Housing Authority's Moving to Work (MTW) Annual Plan, may be advanced, provided such strategic initiatives are consistent with the Statement of Corporate Policies and the spirit and intent of the authorizations under the MTW Agreement.*
- 3. Administrative procedures, processes and general management practices for new strategic initiatives shall be developed following the intent of the Statement of Corporate Policies and, upon review and approval, may be amended from time to time at the discretion of Minneapolis Public Housing Authority.*

GLOSSARY

Applicant: An individual or family that has submitted an application for assistance under the Housing Choice Voucher (HCV) program and is on or seeking placement on the waiting list.

Family: A single person or group of persons that qualifies for assistance under HUD regulations and MPHA policy, as defined in Section 1.3 of these Operating Procedures.

Household: All individuals approved by MPHA to reside in the assisted unit. A household includes the family as well as any approved non-family members such as live-in aides, foster children, or foster adults.

Head of Household (HoH): The adult member of the family designated as the primary household member for purposes of program participation, including income determination and compliance with program requirements.

Dependent: A family member who is under 18 years of age, a person with a disability, or a full-time student under the age of 24, as defined by HUD regulations.

Full-Time Student: A person enrolled in an educational or vocational institution on a full-time basis, as defined by the institution.

Elderly Person: A person who is at least 62 years of age.

Near-Elderly Person: A person who is at least 50 years of age but below the age of 62.

Elderly Family: A family whose head, spouse, domestic partner, or sole member is an elderly person.

Disabled Family: A family whose head, spouse, domestic partner, or sole member is a person with a disability.

Displaced Family: A family displaced by governmental action, disaster, or other HUD-defined circumstances.

Remaining Member of a Tenant Family: A household member who remains in an assisted unit after other family members have left and who is eligible to continue receiving assistance.

Guest: A person temporarily staying in the assisted unit with consent of a household member.

Live-In Aide: A person who resides with an elderly or disabled participant to provide necessary supportive services and would not live in the unit otherwise.

Foster Child / Foster Adult: An individual placed in the household by an authorized agency and approved by MPHA. Not considered a family member for subsidy purposes.

Temporary Absence: A household member's absence from the unit with intent to return, as defined in Section 7.9.

Permanent Absence: A household member's absence from the unit with no intent to return, as determined by MPHA.

Mixed Family: A family that includes both eligible and ineligible members based on immigration status. Assistance is prorated.

Prorated Assistance: A reduction in assistance based on the number of eligible household members.

Annual Income: Total anticipated income from all sources for all family members, as defined by HUD and MPHA policy.

Adjusted Income: Annual income minus allowable deductions.

Voucher Size: The number of bedrooms authorized for a family based on MPHA occupancy standards.

Payment Standard: The maximum subsidy level used to calculate housing assistance.

Housing Assistance Payment (HAP): The subsidy paid by MPHA to a property owner on behalf of a participant.

Tenant Rent Portion: The portion of rent paid by the family.

Request for Tenancy Approval (RTA): The form used to request approval of a unit for the program.

Housing Quality Standards (HQS): HUD-established minimum housing standards.

Reasonable Accommodation: A modification or exception to policy to ensure equal access for persons with disabilities.

Portability: The ability to use a voucher outside the initial jurisdiction.

Recertification (Reexamination): Periodic review of income, household composition, and eligibility.

Interim Reexamination: A review conducted between regular recertifications due to changes in income or household composition.

A – ELIGIBILITY

1.0 Eligibility Requirements

1.1 Essential Eligibility Criteria

To be eligible for the Housing Choice Voucher program, the applicant family must meet essential eligibility criteria, which include:

- Qualifying as a family as defined by HUD and by MPHA;
- Having income at or below HUD- and MPHA-specified income limits. Currently, the income limit for admission into the MPHA HCV program is 50% of the Area Median Income (AMI);
- Qualifying on the basis of citizenship or eligible immigrant status of family members;
- Providing social security number information for household members as required and as applicable;
- Meeting all MPHA and HUD eligibility requirements related to criminal background and drug-related activity, including that no household member is subject to mandatory or discretionary denial under applicable MPHA policies or federal regulations;
- Consent to MPHA's collection and use of family information as provided for in MPHA-provided consent forms;
- Having a head of household who is at least 18 years of age; and
- Providing all required documents.

If a family is deemed ineligible or unsuitable for admission, the family will be removed from the waiting list. (Section 2.0)

An applicant family may request a reasonable accommodation to assist them in meeting the essential eligibility requirements.

1.2 Applicants for Section 8/HCV Programs

During the application process, MPHA may ask all applicants the same questions. An applicant is not required to discuss a disability. However, MPHA may ask an applicant to verify a disability if the applicant asks for a reasonable accommodation. MPHA shall not assume that a person has a disability.

An applicant may refuse to explain negative information because it may reveal the existence, nature, or severity of a disability. MPHA may have the right to deny admission because of a lack of information or negative information.

If an applicant requests a reasonable accommodation, the applicant has the burden to show that the accommodation is likely to enable the applicant to comply with the program requirements and/or lease. MPHA may make accepting supportive services a condition of an applicant's admission to specific project-based communities or Special Purpose Voucher programs when

supportive services are inherent in the eligibility criteria for the program or community. With or without a reasonable accommodation, the applicant must complete the application process, meet eligibility criteria, and comply with program requirements in order to begin and continue receiving assistance.

1.3 Eligible Families

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole, while others apply to individual persons who will live in the assisted unit. This section provides information necessary to define a family, correctly identify family and household members, and apply HUD's eligibility rules.

1.3.1 Family

To be eligible for assistance, an applicant must qualify as a family. A *family* includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) A single person, who may be:
 - (i) An elderly person, displaced person, disabled person, near-elderly person, or any other single person;
 - (ii) An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act ([42 U.S.C. 675\(5\)\(H\)](#)), and is homeless or is at risk of becoming homeless at age 16 or older; or
- (2) A group of persons residing together, and such group includes, but is not limited to:
 - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) The remaining member of a tenant family.

The PHA has the discretion to determine if any other group of persons qualifies as a family.

When an applicant family consists of two families living together, such as a mother and father and their daughter with her own child/children, they will be treated as a family unit. Note: This policy is distinct from MPHA's policies related to adding members of a household. MPHA does not permit one family to add another family to their household once already in the program.

1.3.2 Household

Household is a broader term that includes additional people who, with MPHA's permission, live in an assisted unit. Such individuals may include live-in aides, foster children, and foster adults.

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

1.3.3 Types of Household Members

Head of Households:

The head of household (HoH) is the family member who is considered the primary family member for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills its responsibilities under the program.

The family may designate any qualified family member as the head of household. The head of household must have the legal capacity to enter a lease under state and local law, and as such, will generally be an adult 18 years of age or over. A minor who is emancipated under state law may also be designated as head of household.

Spouses and Interdependent/Domestic Partners:

A spouse is the partner of the head of household who cohabits with the good faith belief that they and the head of household are married. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners.

An interdependent or domestic partner is an adult member of the family who is in an interdependent relationship or domestic partnership with, but is not the spouse of, the head of household. Interdependent relationships or domestic partnerships are defined as committed relationships between two adults in which the partners:

- Maintain a common residence, and intend to continue to do so (or would maintain a common residence but for an assignment abroad or other employment-related, financial, or similar obstacle);
- Are at least 18 years of age and mentally competent to consent to contract;
- Share responsibility for a significant measure of each other's financial obligations;
- Are not the domestic partner of anyone else; and
- Are willing to certify, if required by the agency, that they understand that willful falsification of any documentation required to establish that an individual is in a domestic partnership may lead to disciplinary action and the recovery of the cost of benefits received related to such falsification.

A family may include one spouse or interdependent relationship/domestic partner, but not both.

Other Adults:

Other adult means a family member other than the HoH, spouse, or interdependent relationship or domestic partner, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults because they are not family members.

Dependents:

A dependent is a family member who is either:

- Under 18 years of age; or
- A person of any age who is a person with a disability; or
- A full-time student up to the age of 24

The following persons can never be dependents:

- The head of household;
- The spouse of the head of household;
- Live-in aides; or
- Foster children or foster adults.

Dependents who are subject to a joint custody arrangement will be considered a member of the family if the dependent lives with the family at least 183 days per year. When more than one applicant or participant family is claiming the same dependent(s) as family members, the family with physical custody of the child/children at the time of the initial examination or reexamination will be able to claim the dependent(s). If there is a dispute about which family should claim them, MPHA will decide using third-party verification. MPHA will use its discretion when making a determination.

Foster Children & Foster Adults:

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone.

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

MPHA will request verification of the placement of the foster person from the agency responsible for the placement prior to allowing the foster person to be added to the household.

1.3.4 Guests

A guest is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent and who is in compliance with the lease agreement

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 30 cumulative calendar days during any 12-month period with property owner approval.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

1.3.5 Restrictions on Assistance to Students (5.612 Restrictions)

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education. The law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

MPHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of institution of higher education in the Higher Education Act of 1965;
- The student is at least 24 years old;
- The student is a veteran;
- The student is married;
- The student has at least one dependent child; and
- The student is a person with disabilities and was receiving assistance prior to November 30, 2005.

If MPHA cannot verify at least one of these exemption criteria, MPHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. If a student is subject to these restrictions, MPHA will verify either the student's parents' income eligibility or the student's independence from his/her parents, in addition to verifying the student's income eligibility.

1.3.6 Definitions Related to 5.612 Restrictions

For the purposes of determining the relevance of 24 CFR 5.612 to an applicant family, MPHA will use the following definitions:

- The Definition of Institution of Higher Education from the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002;
- The definition of a person with disabilities from section 3(b)(3)(E) of the 1937 Act;
- The definition of and independent student from the U.S. Department of Education;

- Dependent child means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of dependent in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents; and
- Parents include biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc.).

1.3.7 Determination of Student Independence

For the purposes of determining the relevance of 24 CFR 5.612, MPHA will consider a student “independent” from their parents if the following four criteria are all met:

- The individual is of legal contract age under state law;
- The individual has established a household separate through one of the following means:
 - The individual has established a household separate from his or her parents or legal guardians at least one year prior to application for occupancy;
 - The individual meets one or more of the requirements by the U.S. Department of Education’s definition of an “independent student”: Age 24, veteran, married, graduate or professional student, or have legal dependents other than a spouse (for example, dependent child or an elderly dependent parent) or
 - The individual is a person with disabilities who was receiving Section 8 assistance as of November 30, 2005.

The individual must not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations, as demonstrated by the parents’ or legal guardians’ most recent tax forms.

The individual must obtain a certificate of the amount of financial assistance that will be provided by parents or legal guardians, signed by the individual providing the support and must be submitted even if no assistance is being provided.

1.4 Income Limits & Eligibility

The income limit for households applying to and participating in the HCV program are based on the Area Median Income (AMI), as determined by HUD.

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the gross annual income of an applicant family to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

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

- Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.
- A low-income family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program.
- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.

HUD permits MPHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the MPHA plan and the consolidated plans for local governments within MPHA's jurisdiction.

1.5 Citizenship & Eligible Immigration Status

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

All applicant families will be notified of the requirement to submit evidence of their citizenship status when they apply. Immigration status will be verified through the Systematic Alien Verification for Entitlements (SAVE) website. All formal written correspondence with an applicant family will include a language notifying families of the importance of the document, translated into multiple languages commonly used by MPHA HCV participants.

1.5.1 Declaration of Citizenship

HUD requires that each family member declare whether they are a citizen, national, or eligible non-citizen. No declaration is required for live-in aides, foster children, or foster adults.

For citizens, nationals, and eligible non-citizens, the HUD Form 214 Declaration must be signed personally by the head, spouse, domestic partner, and any other family member 18 or older, and by a parent or guardian for minors.

1.5.2 Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status.

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

1.5.3 Eligible Noncitizens

In addition to providing a signed HUD Form 214 Declaration, those declaring eligible noncitizen status must cooperate with PHA efforts to verify their immigration status. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

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

1.5.4 Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include both eligible and ineligible individuals are considered "mixed families." Such families will be given notice that their assistance will be reduced, and that they may request a hearing if they contest this determination.

See Chapter 8 for a discussion of how rents are prorated, and Chapter 14 for a discussion of informal hearing procedures.

1.5.5 Ineligible Families

The PHA will not provide assistance to a family before verifying the eligible immigration/citizenship status of at least one family member. Until all family members are appropriately verified, the family's assistance will be prorated.

When MPHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, the family will be sent a written notice within 30 business days of the determination.

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

1.6 Disclosure Requirements

Applicants must provide truthful, accurate, and complete information at the request of MPHA. Required information includes but is not limited to the following:

- Income;
- Household composition;
- Criminal history;
- Employment status;
- Education and training status; and
- All background information required by and provided to MPHA.

If any information is falsely reported, the application may be denied. If the application is made for a prospective add-on member to a participating family, the existing family's assistance may be terminated.

All household members 18 years of age and older must sign an Authorization for Release of Information/Privacy Act form to approve the release of information requested by the HCV Program. Information that is obtained directly from applicants, or from those persons authorized by applicants will be used only for purposes relating directly to the administration of the HCV Program and other MPHA housing assistance programs. The Authorization for Release of Criminal Activity/Privacy Act form is used to authorize criminal background screening for all members of the household 18 years of age and older.

1.7 Final Notice of Eligibility

If the family is eligible for assistance, MPHA will notify the family in writing and include a link to the mandatory briefing video. Once the family views the video, MPHA will email, with directions, the Estimated Rent Portion and moving packet, which includes the voucher and Request for Tenancy Approval (RFTA).

If MPHA determines that a family is not eligible for the program for any reason, the family will be notified of the decision to deny assistance in writing.

2.0 Waiting List

MPHA may elect to maintain a single waiting list for all types of assistance or separate waiting lists for different programs. This section of the operating procedures is specific to the waiting list(s) for applicant families seeking tenant-based assistance. This section is not applicable to the Choice Mobility Waiting List, which consists of families who have been assisted under the Project-Based Voucher program (PBV) for at least 12 months and are now seeking to receive a tenant-based voucher. For information on the Choice Mobility Waiting List, see Section 25.1.

2.1 Waiting List Applicants

MPHA will institute policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes policies regulating opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, and removing families who are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

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

2.2 Applying for Assistance

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides MPHA with the information needed to determine the family's eligibility. When HCV assistance becomes available, MPHA will select families from the waiting list in accordance with HUD requirements and MPHA policies as stated in the Statement of Corporate Policies, HCV Operating Procedures, and approved MTW plans.

MPHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or MPHA that justify their selection. Examples of this include the selection of families who qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that MPHA affirmatively furthers fair housing goals if and as applicable in the administration of the program. Adherence to the selection procedures described in this chapter ensures that MPHA will be in compliance with all relevant fair housing requirements. MPHA will make reasonable efforts to provide adequate notification to potential applicants with respect to applicant eligibility, the opening period, reasonable accommodations, LEP assistance opportunities, and other details related to the acceptance of applications to the waiting list, as set forth in the Operating Procedures. For more information on how MPHA will support persons with disabilities or Limited English Proficiency (LEP) in accessing the waiting list, see MPHA's Statement of Corporate Policies for the agency's Limited English Proficiency Plan and Reasonable Accommodation Policy.

2.3 Opening the Waiting List

When the waiting list is open for a limited period, MPHA will notify prospective applicants of the application submission process and the criteria or method used to determine the order in which eligible applications are placed on the waiting list.

MPHA will announce the opening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. MPHA will give public notice by publishing the relevant information in suitable media outlets. MPHA will comply with all Fair Housing and Equal Opportunity (FHEO) requirements applicable to public notices announcing the opening and closing of the program waiting list (“Waiting List”) for a Housing Choice Tenant-Based Voucher (“Voucher”).

2.3.1 Outreach

MPHA will conduct outreach as necessary to ensure that MPHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted. MPHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in MPHA’s jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved or are not fairly represented on the waiting list.

2.3.2 MPHA Outreach Efforts

MPHA will conduct outreach as necessary to ensure that it maintains a sufficient number of applicants on the waiting list to fully utilize available HCV resources. MPHA will monitor the characteristics of the population being served and compare them to the broader population within its jurisdiction. If certain populations are underserved or underrepresented, MPHA will implement targeted outreach efforts to address these disparities.

All outreach efforts will comply with fair housing requirements and will be designed to ensure equal access to the program. Outreach strategies may include, but are not limited to:

- Analyzing the housing market area and populations currently being served to identify underserved groups;
- Targeting outreach to media outlets and community organizations that reach eligible populations who are underrepresented in the program;
- Submitting press releases to local and minority-focused media outlets;
- Developing informational materials and flyers for distribution through partner agencies; and
- Establishing partnerships with organizations that serve populations with specific needs, including persons with disabilities.

MPHA will avoid outreach practices that directly or indirectly prefer or exclude individuals based on membership in a protected class.

2.3.3 Income Targeting Requirement

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during MPHA's fiscal year. As such, MPHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance.

Low-income families admitted to the program who are "continuously assisted" under the 1937 Housing Act, as well as low-income or moderate-income families admitted to the program who are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes.

MPHA will monitor progress in meeting the income targeting requirement throughout the fiscal year.

2.4 Local Preferences

MPHA may establish local preferences and give priority to serving families who meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits MPHA to establish other local preferences, at its discretion.

2.4.1 Preference Verification

If an applicant self-certifies Minneapolis residency when submitting their application to the waiting list, MPHA will not verify said residency again when the applicant is selected off the waiting list. The self-certification by the applicant during the application process will be considered sufficient verification.

2.5 Closing the Waiting List

MPHA is permitted to close the waiting list if it has an adequate pool of families to pull from in order to utilize its available HCV assistance. Alternatively, MPHA may elect to continue to accept applications only from certain categories of families that meet preferences or funding criteria. MPHA will close the waiting list upon public notification.

2.6 Eligibility for Placement on the Waiting List

Placement on the waiting list does not indicate that the family is eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

After the application period closes, MPHA will use a lottery or random drawing to determine which applicants are placed on the waiting list. Families selected for the waiting list will be notified in writing. Other forms of communication will be considered under extenuating circumstances or as a reasonable accommodation for persons with disabilities.

Because an applicant may need to wait for an extended period of time to receive assistance, MPHA will not assess the family's eligibility for assistance at the time of application to the waiting list. MPHA will conduct a full eligibility review when the family is selected for assistance from the waiting list.

2.7 Organizing the Waiting List

MPHA's HCV waiting list will be organized in such a manner to allow MPHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this manual.

A family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program MPHA operates if:

- the other programs' waiting lists are open; and
- the family is qualified for the other programs.

A family's decision to apply for, receive, or refuse other housing assistance will not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify. The waiting list will contain the following information for each applicant listed:

- Applicant name;
- Family size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household; and
- Gross Annual Income.

2.8 Selection for HCV Assistance

MPHA may select applicants from the waiting list in accordance with:

- Local preferences;
- The date and time the applicant applied to the waiting list;
- By random selection process (lottery);
- Targeted funding: HUD may award MPHA funding for a specified category of families on the waiting list. MPHA will use this funding only to assist families within the specified category. In order to assist families within a targeted funding category, MPHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in this Plan. Documentation will be maintained by MPHA as to whether families on the list qualify for targeted funding. If a family on the waiting list is not qualified or not interested in targeted funding, this will be noted on the family's waiting list application record and MPHA will not be required to reverify eligibility/interest of the family each time targeted selections are made;

- Special housing initiatives. See section 2.8.2 below for more information; and
- Income targeting requirements: To ensure that the income targeting requirement is met, MPHA may skip non-ELI families on the waiting list in order to select an ELI family.

If MPHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d)].

MPHA may admit a family who is displaced by a federally declared disaster regardless of whether they are on the waiting list or their current position on it. The family must complete an application form within 90 days from the date of the disaster declaration to be considered for admission.

2.8.1 Notification of Selection

When a family has been selected from the waiting list, MPHA will notify the family of the following by first-class mail and, if known, email:

- Website and registration code needed to complete the full application;
- List of documents needed to be attached to the application; and
- Contact information for requesting assistance.

If a notification letter is returned to MPHA with no forwarding address, the family may be removed from the waiting list.

2.8.2 Special Housing Initiatives (SHI)

MPHA, at its discretion and with the consent of the Executive Director/CEO, may authorize the special admission of eligible and qualified applicants to the Program, in order to:

- Implement special initiatives;
- Offer homeownership opportunities to eligible households;
- Admit households impacted by an owner opt-out of a housing assistance contract on a HUD-insured multi-family development; and/or
- Address an urgent local need as determined and approved by MPHA. Urgent local needs include, but are not limited to, foreclosure assistance and natural disasters, assistance to eligible victims of domestic violence pursuant to the Violence Against Women Act (VAWA), pilot programs for at-risk populations, relocation activities and mitigation of displacement related to real estate development initiatives.

Special admissions may also be approved, as a reasonable accommodation, for transfer assistance to an eligible and qualified person with a verifiable disability who resides in an MPHA-Owned Community or whose name is on a transfer/waiting list to be assisted who requires a UFAS Accessible Unit. Additionally, the Executive Director has the authority to allocate vouchers for specialized programs that meet the goals of the mission of MPHA.

Any household eligible for a special admission, as determined by MPHA, may not be denied a Voucher for admission to the Program provided that no member of the household has committed an offense specifically identified in MPHA's HCV criminal background policies and no member has been engaged in criminal activity that could reasonably be expected to indicate a threat to the health, safety or welfare of others, including other residents, MPHA and its staff, Owners/Landlords, and/or Management Agent staff.

Other eligibility requirements specific to the special admission program, procedures, processes and general management practices for special admissions will be outlined in these Operating Procedures.

2.9 Waiting List Updates

The equitable methods of processing Applicants on the Waiting List and the processes for organizing, updating and maintaining Applicant records are set forth in these Operating Procedures. MPHA, at its discretion, may establish reasonable procedures related to the Waiting List, including but not limited to:

- Procedures for re-evaluating the reliability of waiting list information provided by applicants;
- Exploring alternative strategies for the selection of Applicants (including the implementation of residency and other local preferences); and
- Setting the requirement that Applicants on the Waiting List must notify MPHA of their interest within a specified period of time in order to remain on the Waiting List.

To update the waiting list, MPHA will send an update request via mail and, if known, email to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that MPHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.

Finally, the request will provide the family with instructions for responding to the request.

If a family is removed from the waiting list for failure to respond, MPHA may reinstate the family if it is determined that the lack of response was due to MPHA error, applicant need based on a reasonable accommodation or to circumstances beyond the family's control. MPHA may reinstate the family if the applicant makes contact with MPHA within one year of the date the record was withdrawn.

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to an MPHA

request for information or updates and MPHA determines that the family did not respond because of the family member's disability, MPHA will reinstate the applicant family to their former position on the waiting list.

The waiting list will be updated periodically to ensure that all applicants and applicant information is current.

2.10 Removal from the Waiting List

If a family is removed from the waiting list because MPHA has determined the family is not eligible for assistance, a notice will be sent to the family's address on file with MPHA. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review of MPHA's decision (See Chapter 14).

2.10.1 Reporting Changes in Family Circumstances

While the family is on the waiting list, the family must immediately inform MPHA of changes in mailing address, phone/email, or preferences. Changes must be submitted in writing via MPHA forms or the MPHA participant portal (RentCafé).

2.10.2 Family Separation While on the Waiting List

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

In the absence of a judicial decision or an agreement among the original family members, the original head of household will retain the application date. Exceptions to the policy will be made on a case-by-case basis, and may include consideration of the following factors:

- The interest of any minor child, including custody arrangements;
- The interest of any ill, elderly, or disabled family members;
- The interest of a family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave the household as a result of such actual or threatened abuse;
- Any possible risks to family members because of criminal activity; and
- The recommendations of social service professionals.

2.11 Voluntary Withdrawal from Waiting List

An applicant on the waiting list may choose to voluntarily withdraw his/her name from the waitlist. The applicant must submit the request in writing stating that he/she wants to be removed from the waiting list.

2.12 Reinstatement Process

If an Applicant is determined by the Director or Assistant Director of HCV to have been incorrectly removed from the waitlist, the Director or Assistant Director of HCV may elect to have the

applicant reinstated. If this occurs, the applicant will be notified via email at the email address provided on the application or in writing.

2.13 Applicants Already Receiving MPHA or HUD Rental Assistance

HCV participants may only reside in one assisted unit at a time. Assisted units include public housing units, units with project-based assistance attached to them, or units for which a public housing authority or similar entity is currently providing tenant-based assistance. Units developed with Low Income Housing Tax Credits are not inherently considered assisted units for the purposes of this policy. Residents residing in an assisted unit who are selected from the HCV Waiting List must fulfill the obligations of their existing leases before they will be issued a tenant-based voucher.

Exceptions may be granted to Applicants or Participants who demonstrate a related hardship or a mutually agreed upon early lease termination between the Resident/Applicant and Landlord.

Before MPHA completes an eligibility screening for an Applicant selected from the HCV Waiting List and living in an MPHA-owned unit or other qualifying assisted unit, the Applicant must provide documentation of the lease end date or termination of the lease. MPHA will coordinate the timing of the eligibility process to ensure the applicant's move-in date for a new unit will not supersede the lease end date in the previous assisted unit. The applicant selected from the HCV Waiting List will be placed on hold for admissions until the eligibility determination process begins. MPHA will monitor and coordinate a timely eligibility screening process.

Applicants who are contacted by mail by MPHA that their eligibility determination process has started and who fail to respond within 30 days of the date of the letter will be determined ineligible for admission.

2.14 Reasonable Accommodations and Limited English Proficiency (LEP)

MPHA must comply with its Reasonable Accommodation Policy and Limited English Proficiency Policy (LEP) Plan to make the application process accessible to disabled applicants or applicants who need language assistance.

MPHA will take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard MPHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with Limited English Proficiency (LEP).

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program.

This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient persons, published January 22, 2007, in the Federal Register.

3.0 Inbound Portability Applicants

All inbound ports must meet the eligibility criteria for other MPHA program applicants outlined in the Eligibility section of the Operating Procedures. Inbound ports must pass an MPHA background check and a review of their “Debts Owed” in the Enterprise Income Verification (EIV) system. Inbound ports may have passed a background check with the initial housing authority (IHA), but that does not guarantee all members will pass the MPHA background check. MPHA may request additional information not included in the portability paperwork sent by the initial housing authority (IHA) to verify eligibility.

If a family is denied portability due to not meeting MPHA eligibility criteria, MPHA staff will mail a “Portability Denial Letter” to both the applicant and the IHA. The family’s portability paperwork will be sent back to the IHA. The family can request an informal review to dispute the portability denial. If the denial is overturned through the informal review, the family’s eligibility screening will resume.

B - ADMISSIONS SCREENING & VERIFICATION

4.0 Applicant Intake Process

Families selected from the waiting list are required to complete a full application via RentCafé. The family must provide the information necessary to establish the family’s eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation.

If any materials are missing, MPHA will provide the family with a written list of items that must be submitted. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial.

An applicant desiring to participate in the program must complete a full application in accordance with the Operating Procedures and demonstrate that they/their family:

- Meet the definition of a Family;
- Have a total household income verified for the initial eligibility determination that does not exceed the “Very Low-Income” limit published by HUD for the household size;
- Fully satisfy applicable statutory and HUD’s regulatory requirements for citizenship and/or eligible immigrant status;
- Have an acceptable criminal background record; and
- Are able to comply with all Program obligations.

A voucher may be issued to an applicant’s family once MPHA has verified program eligibility using information received within the 60 days prior to issuance and the family has viewed the briefing video.

4.1 Income Calculations for Transitioning Adults

When a household member will turn 18 between the date of eligibility determination and on or before the effective date of the initial lease, MPHA will include that individual's income in the calculation of annual income. For example, if MPHA completes an eligibility determination on November 1 and a household member is 17 at the time of screening, but the family secures a unit with a lease effective date of December 15 and the individual turns 18 on November 17, MPHA will count that household member's income as adult income because they will be 18 as of the lease effective date.

Deductions will also be applied as if the family member was an adult. For example, in the scenario above, the family would not receive a dependent deduction for the 17-year-old unless that person is a full-time student or disabled.

5.0 Eligibility Screening

5.1 Introduction

Prior to beginning the eligibility screening process, either the head of household or spouse/domestic partner must provide legal proof of their identity (Government issued photo ID, Social Security Card, passport, green card, etc.) within 10 business days of being selected from the waitlist.

Assistance cannot be provided to the family until all SSN documentation requirements are met (See section on Citizenship & Eligible Immigration Status for policies). However, if MPHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by MPHA.

5.1.1 Support Services

An advocate, interpreter, or other assistant may assist the family with the application process. MPHA will provide the applicant's family with free interpreter service as requested.

5.1.2 Failure to Respond

- Applicants are required to respond to requests by MPHA for verification of family composition, income, and/or expense information. MPHA will take the following actions when a family fails to respond to the request for verification:
 - 10 business days after the request for verification, MPHA will send a Nondisclosure of Information letter to the head of household, warning of the consequences of the family failing to provide the requested information within the time frame set forth in the letter.
 - If at the end of the time frame set forth in the letter, the family has not provided the requested information, MPHA will send the family a termination letter or remove the family from the waitlist, thereby ending the new admission process.

If the family is unable to complete the full application on RentCafé by the deadline, the family should contact MPHA. Applicants who fail to complete the full application on RentCafé by the

deadline, and without extension or an approved reasonable accommodation from MPHA, will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued via mail and email, if available.

5.1.3 Final Determinations

MPHA will conduct eligibility screening per the policies set forth in these Operating Procedures and will verify all information provided by the family.

If MPHA determines that the family is ineligible, MPHA will send written notification of the ineligibility determination within 30 calendar days of the determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review.

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g., targeted funding, preference level, extremely low-income), the family will be returned to its original position on the waiting list. MPHA will inform the family that it has been returned to the waiting list and will specify the reasons for it.

5.1.4 Briefing Requirements

If MPHA determines that the family is eligible to receive assistance, MPHA will notify the family within 10 business days of approval. The family will be required to watch the briefing video within 14 days of the date on the eligibility approval letter. Failure to watch the required briefing within this timeframe may result in denial of eligibility and may be grounds for removal from the waitlist.

5.2 Criminal Background Check

Every adult applicant, including port-in participants, shall provide MPHA with a consent form signed by each adult household member, allowing MPHA to request and review each adult's criminal background history and determine whether an applicant should be admitted to the HCV program.

There is no presumption that an applicant with a criminal conviction should be denied assistance. Rather, MPHA will, in compliance with federal regulations, give each applicant consideration to the time, nature, and extent of the applicant's conduct, including the seriousness of the offense. In addition, MPHA will consider mitigating factors, if any, and factors which might indicate a reasonable probability of favorable future conduct. MPHA will comply with federal laws and regulations, and state law in its screening processes.

5.2.1 Liability and Privacy

The purpose of the criminal background screening is to determine eligibility for the HCV program. MPHA has no liability or responsibility to property owners, managers, or other persons for the family's behavior or conduct while in tenancy. Property owners and managers are responsible for screening HCV participants just as they would any other tenant.

MPHA will not share criminal history information with a property owner or manager and will only make the information available to MPHA officers, employees, and authorized representatives who have a job-related need for the information. To the extent MPHA is required by court order to disclose the criminal records in a judicial proceeding, MPHA is not responsible for access to or use of the records after the disclosure.

MPHA shall pay the costs for obtaining the criminal records; however, applicants and participants shall pay for the costs of other records or documents they obtain to refute the accuracy of the records presented by MPHA.

5.2.2 Screening Process Criteria

Criminal record checks will be considered current for a period of one year. If the lease up (for new applicants) is not effective within one year from the date the criminal record check was run, a new criminal record check may be required.

MPHA may deny an application based upon a pattern or practice of misconduct, if such pattern or practice indicates a demonstrable risk to resident or staff safety or persons or property.

There are two steps to the screening process:

1. Identification: identifying applicants with one or more criminal convictions that require MPHA to conduct a further review of the applicant's eligibility; and
2. Further Review: A case-specific further review that takes into account individualized circumstances and the potential impact on the safety of residents and MPHA staff.

(1) Identification of Applicants Requiring Further Review

During the eligibility screening process, HCV staff will request a copy of the applicant's criminal background from the HCV-approved vendor, currently Safe Rent. If the report shows records of criminal convictions, the staff member will notify their supervisor that further review is required. The screening staff may also request further review if the applicant presents a significant level of risk to the housing community based upon case-specific reasons, despite not having criminal conviction records on their criminal background report that would otherwise require further review. Should the Manager agree that there is a basis for additional review, the reasoning behind the decision will be documented and management will conduct a review using case specific circumstances as outlined in these guidelines.

(2) Further Review

Applicants who have criminal histories or case-specific factors triggering further review will be reviewed by an HCV Manager or their designee. The additional review will consist of an individualized assessment of case specific facts that will assist in determining whether the criminal conduct indicates a demonstrable risk to residents, staff or related person's safety and/or property. Factors such as recency and severity of crimes committed will be considered for purposes of determining eligibility.

If the HCV Manager or their designee is not able to approve the applicant based on their individual review, the applicant will be notified in writing and will be sent a copy of the criminal record relied upon, and the time frame to submit favorable information. The applicant will have the opportunity to dispute the accuracy of the conviction information before adverse action is taken based on a criminal conviction record in accordance with the law.

Documents for consideration during further review may include, but are not limited to, the following, if relevant to the applicant's case:

- Letters from probation/parole officers, case workers, counselors, or therapists;

- Letters from employers, community organizations, or teachers;
- Certificates of treatment completion that is relevant to the conduct giving rise to the conviction (for example, domestic abuse/batterer's intervention, anger management, drug and alcohol treatment, behavioral therapy); and
- Documents of proof of employment and/or completion of training.

MPHA will review any relevant information the applicant gives to MPHA within the time period allowed for submission. MPHA will give consideration to the nature, recency and seriousness of the offense, rehabilitation if any, community support, and employment history.

Regardless of any mitigating factors, MPHA must deny or terminate assistance for families that meet the following criteria:

- The PHA must deny admission or terminate assistance for a participant who is required to register for life under any states' sex offender registration program; and
- The PHA must deny admission or terminate assistance for any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing.

Following review, the applicant will be notified of MPHA's decision. If MPHA denies admission, MPHA will notify the applicant in writing of the right to contest the decision, except in cases of a mandatory denial as noted above. An applicant who is denied admission will have the opportunity to request an Informal Review to contest the denial.

5.2.3 Definition of Conviction

Conviction is defined as a final judgment in a criminal matter; including but not limited to a finding of guilty by judge or jury, or a plea of guilty. A stay of adjudication or a continuance for dismissal is not considered a final judgment under this part of the operating procedures. If there is doubt as to the applicant's criminal history, the file will be sent for further review.

5.2.4 Project-Based Criminal Record

Within the Project-Based Voucher Program there may be housing communities that provide housing and services to individuals and families who have criminal histories and/or other related conduct (with exception of lifetime registered sex offenders and applicants convicted of drug related criminal activity for methamphetamine production on the premises of federally assisted housing).

Where a specific Project-Based Voucher housing community allows for participants with criminal histories and/or other related conduct and the applicant or participant meets all other MPHA and MPHA's partner requirements for eligibility, MPHA may permit participation in the specific Project Based Housing Program.

5.2.5 Removal of a Family Member from Application

Should MPHA's screening process reveal that an applicant's household includes an individual that has criminal background records impacting the household's eligibility, MPHA will offer the family the opportunity to remove the ineligible family member from the household. In such instances, the head of household must certify that the family member will not be permitted to reside in the

assisted unit. After admission to the program, the family must present evidence of the former family member's current address (if known) upon MPHA request. If the family is unwilling to remove that individual from the household, MPHA will deny admission to the family following the further review process and the family will have the opportunity to request an Informal Review. In such instances, the head of household must certify that the family member will not be permitted to reside in the assisted unit.

6.0 Verification Standards

6.1 Family Consent to Release of Information

HUD requires each adult family member, as well as the head of household, spouse, or domestic partner, regardless of age, to sign Form HUD-9886A (Authorization for the Release of Information/Privacy Act Notice) and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

MPHA will deny admission or terminate assistance to the program if any member of the applicant family fails to sign and submit the consent forms, which allow MPHA to obtain information deemed necessary in the administration of the HCV Program.

6.2 Acceptable Methods of Verification

Throughout the admissions screening process and during ongoing program participation, MPHA must review and verify a variety of information and documents relating the family's ability to meet eligibility standards. MPHA may use six methods to verify such household information.

In order of priority, the forms of verification that MPHA will use are:

- HUD's Enterprise Income Verification (EIV) system;
- Upfront Income Verification using non-HUD systems;
- Original Documents - Review of original documents like pay stubs, tax returns, or asset statements provided by the applicant or resident;
- Written Third Party - Written verification from an independent source, such as an employer or bank;
- Oral third-Party - Verbal verification via telephone or in-person with the source of income, typically when written requests are not answered; and
- Self-Certification - The least reliable method, only used when all other verification methods are not possible. It requires the applicant to provide a written, sometimes notarized, statement of their income.

6.3 Enterprise Income Verification (EIV) SYSTEM

6.3.1 EIV Income Reports

MPHA will use HUD's Enterprise Income Verification (EIV) system as a third-party source to verify applicant/participant employment and certain income information, records of current and past

federal housing assistance, and information about any debts the family may owe to a federally assisted housing program. EIV Income reports will be compared to household-provided information as part of the regular reexamination process. Income reports may be used in the calculation of annual income, as described in the section on Standard Deductions. EIV will be used during regular recertifications of household composition and income as well as in between regular recertifications if MPHA has reason to suspect that household-provided information may be outdated or incorrect.

The data shown on EIV income reports is updated quarterly. Data may be between three and six months old at the time reports are generated. Income reports will be retained in household files.

6.3.2 EIV Identity Verification

The EIV system verifies tenant identities against Social Security Administration (SSA) records.

These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth. When identity verification for a tenant fails, a message will be displayed within the EIV system, and no income information will be displayed.

MPHA will identify tenants whose identity verification has failed and will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the household. When MPHA determines that discrepancies exist as a result of MPHA errors, such as spelling errors or incorrect birth dates, MPHA will correct the errors and re-run the EIV report to confirm correction.

If MPHA is not able to resolve PIC/SSA discrepancies, the agency will initiate the termination process against the household with unverified information.

6.3.3 Up-Front Income Verification (UIV)

Up-front income verification (UIV) refers to MPHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent these systems are available to MPHA.

6.4 Third Party Written Verification

Written third-party verification is an original or authentic document generated by a third-party source dated within the 60-day period preceding the MPHA request date. Such documentation may be in the possession of the household. MPHA may, at its discretion, reject any household-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable written third-party verification documents include, but are not limited to, paystubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

6.4.1 Written Verification Form

MPHA may send a written request for third party verification under the following circumstances:

- When higher forms of verification (UIV, EIV, written third party documents) are not available;
- When MPHA requires clarification of income information;
- If the tenant disputes EIV, UIV or other third-party documents; and
- When there is a significant difference between tenants provided information and third-party documents.

For example, if a tenant is unable to provide pay stubs, MPHA may send a written third-party verification form to the employer to verify employment status and income.

- MPHA may mail, fax, or e-mail third-party written verification form requests and will accept third-party responses by any of these methods;
- As needed, MPHA may send a written request for verification to each required source after securing a household's authorization for the release of the information; and
- A record of each attempt to contact the third-party source will be documented in the file.

6.4.2 Third Party Verification

Unless third-party verification is not required, MPHA will attempt to obtain third-party verification before using another form of verification. MPHA may determine third-party verification is not required if the asset or expense involves an insignificant amount of money, or if the information to be verified is immaterial. An insignificant amount of money is defined as \$10 or less spent/received per month.

6.5 Oral Third Party Verification Clarification

Oral third-party verification is mandatory if neither form of written third-party verification is available. Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time (e.g., 5 business days). Verifications received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

6.6 Self-Certification

Household members may be required to submit self-certifications attesting to the accuracy of the information they have provided to MPHA when information cannot be verified by a third party or by review of documents. Self-certification, or "tenant declaration," is used as a last resort when MPHA is unable to obtain third-party verification. MPHA will document the file with attempts to obtain higher forms of verification before relying on self-certification. MPHA may require a household to certify that a household member does not receive a particular type of income or benefit.

Self-certification may not be used to verify the following benefits:

- Social Security Benefits;
- Unemployment;
- Court Ordered Child Support;
- Supplemental Security Benefits;
- Public Assistance;
- Veterans Benefits;
- Government Pensions; or
- Unreimbursed medical expenses.

6.6.1 When Third Party Verification is Not Required

Third party verification will not be required under the following circumstances:

- Verification Service Charge - If there is a service charge for third party verification, MPHA will assume that third party verification is not available and use lower forms of verification according to the verification hierarchy;
- Primary Documents - Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth; and
- Assets Disposed of Less than Fair Market Value - MPHA will accept a self-certification from the family as verification of assets disposed of for less than fair market value.

6.7 Verification of Legal Identity

MPHA will require families to furnish verification of legal identity for each household member. If an official record of birth or evidence of Social Security retirement benefits cannot be provided, MPHA will require the family to submit other documents that support the reported identity of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

6.8 Verification of Age

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members, an original document that provides evidence of the receipt of Social Security retirement benefits is acceptable.

If an official record of birth or evidence of Social Security retirement benefits cannot be provided, the PHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously assisted occupancy/program participation.

6.9 Verification of Family Relationships

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility Requirements chapter.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household is typically sufficient verification of family relationships. If MPHA has reasonable doubts about a familial relationship, MPHA will require the family to supply supporting documentation.

6.9.1 Marital Status Verification

Certification by the head of household is typically sufficient verification of marriage. If MPHA has reasonable doubts about a marital relationship, MPHA will require the family to document the marriage.

6.9.2 Separation or Divorce Verification

MPHA may require the family to provide documentation of the divorce or separation with a certified copy of a divorce decree signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

6.10 Verification of Citizenship and Immigration Status

Only US citizens, US nationals, and eligible noncitizens are eligible for assistance under the Section 8 program. This chapter outlines how citizenship and immigration status are determined and verified by MPHA.

As a general practice, the head of household must complete a Declaration of 214 Status Form ("declaration") listing each family member and their immigration status, at initial application and during each regular recertification. The information entered on the Declaration 214 will dictate the actions subsequently taken by MPHA to verify immigration status.

See Section on Ineligible Families for information on when assistance may begin for a household undergoing review of immigration status.

6.10.1 U.S. Citizens and Nationals

In general, and except as explained in this section, United States citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit MPHA to request additional documentation of their status, such as a passport or original birth certificate.

Family members who declare US citizenship or US national status will not be required to provide additional documentation unless MPHA has information indicating that an individual's declaration may not be accurate.

6.10.2 Eligible Non-Citizens

In addition to providing a signed declaration, those declaring eligible non-citizen status must submit documentation to confirm the claimed immigration status and cooperate with MPHA efforts to verify their status.

The documentation required for establishing eligible non-citizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

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

MPHA will use the U.S. Citizenship and Immigration Services (USCIS) Systematic Alien Verification for Entitlements (SAVE) system to verify the immigration status of those claiming eligible noncitizen status. Generally speaking, households claiming eligible non-citizen status must provide their social security number and Alien Registration Number in order for MPHA to conduct the SAVE verification process.

6.10.3 Ineligible Non-Citizens

Ineligible non-citizens are non-US citizens without an immigration status that allows them to receive HUD assistance. An individual may be deemed an ineligible non-citizen after MPHA conducts a review of the individual's status through SAVE or because the individual declares to MPHA that they do not wish to content their immigration status. In the latter scenario, MPHA will require the household to complete a non-contending form and will not conduct a SAVE review. The non-contending form must list each non-contending family member's name and be signed by the head of household and their spouse or domestic partner (regardless of citizenship status), if applicable. MPHA is not required to verify a family member's ineligible status.

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

6.10.4 Mixed Families (Households with Ineligible Non-Citizen Members)

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible non-citizen. Families that include eligible and ineligible individuals are considered mixed families. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination.

6.10.5 Timeframe for Determination of Citizenship Status

MPHA will verify the citizenship status of applicants at the time other eligibility factors are determined.

If an individual qualifies for a time extension for the submission of required documents, MPHA will grant such an extension for no more than 30 days.

Each family member is required to submit evidence of citizenship or immigration status only one time during continuous occupancy, unless that status changes. If a family member's immigration

or citizenship status changes during program participation, the family member must immediately notify MPHA or the change and provide MPHA with the documentation necessary to verify the individual's new status.

6.10.6 Social Security Numbers

The applicant, all members of the applicant's household, and any prospective add-on member who is eligible to receive an SSN (those who contend eligible immigration status and US Citizens), must provide documentation of a valid Social Security Number (SSN) as part of the eligibility determination process.

MPHA will accept the following documentation as acceptable evidence of the social security number:

- An original Social Security number card issued by the Social Security Administration (SSA);
- An original SSA-issued document, which contains the name and Social Security number of the individual;
- An original document issued by a federal, state, or local government agency, which contains the name and Social Security number of the individual including but not limited to the following:
 - Driver's license
 - Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)
- Other identification card issued by a federal, state, or local agency, or a medical insurance.

If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program. However, the household must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract, or within 90 days of the date of the request to add the child to the household. A 90-day extension may be granted if MPHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

6.10.7 Persons Not Required to Provide Documentation of a Valid SSN

- Individuals who do not contend eligible immigration status;
- Individuals with SSN verified by HUD EIV;
- Individuals who have previously disclosed a valid SSN; and
- Participants who are 62 years old or older as of January 31, 2010 and who have not previously disclosed a SSN. Exemption applies even upon a move within the program.

6.10.8 Penalties for Failure to Disclose SSN

Applicants who fail to disclose SSNs will be denied eligibility. Participants who fail to disclose SSNs will be terminated.

6.11 Verification of Disability

MPHA will verify the existence of a disability in order to allow certain income disallowances and deductions from income, as well as to evaluate any reasonable accommodation requests submitted by the family. MPHA will use HUD's definition of disability in 24 CFR 5.403, as may be amended, to verify a disability for these purposes.

6.11.1 Third Party Verification

Third-party verification will be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability.

6.11.2 Obvious or Otherwise Known

If a person's disability is obvious or otherwise known to MPHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

6.11.3 Inquiry into Diagnosis

Other than as described in this section, MPHA will not inquire about a person's diagnosis, the nature or extent of a person's disability, or details of treatment for a disability or medical condition. Under no circumstances will MPHA request a participant's medical record(s).

The following inquiries are permitted, provided they are made uniformly for all applicants, with or without disabilities:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy;
- Inquiry to determine whether an applicant is qualified for a dwelling or program available only to persons with disabilities or to persons with a particular type of disability;
- Inquiry to determine whether an applicant for a dwelling or program is qualified for a priority available to persons with disabilities or to persons with a particular type of disability;
- Inquiring whether an applicant for a dwelling or program is a current illegal abuser or addict of a controlled substance; and
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance.

6.12 Current or Former Subsidy Assistance

6.12.1 Debt Screening

MPHA will conduct Enterprise Income Verification (EIV) Debts Owned screening on all family members 18 years old or older to determine if anyone in the household incurred a debt during previous participation in a federally assisted housing program. This information will be reviewed during the initial eligibility screening process.

In order to be determined eligible for assistance, any debt reported on EIV that is considered “current” must be paid in full within 15 days of screening, or an applicant must be current on a repayment agreement. MPHA will not conduct debt screening on VASH households.

For purposes of this section, “current” means amounts incurred during the last 4 years or such other period for which the statute of limitations has not tolled in Minneapolis or another applicable jurisdiction. For example, if an applicant’s participation in an assisted program ended in 2010 due to debts owed, and the applicant never repaid such amounts and applies for the HCV program in 2013, then a “current” debt is owed. If the applicant’s participation in an assisted program ended in 1985 for the same reason, that debt would not be considered “current” unless applicable law permitted.

6.12.2 EIV Existing & Former Tenant Search

An EIV Existing Tenant Search and EIV Former Tenant Search will be conducted on minor and adult members of an applicant household and when adding an adult or minor to an existing household. These reports assist MPHA in determining if any member of the household is currently residing in another federally subsidized housing unit or program. MPHA will follow its policies on denial and termination of assistance when reviewing and acting on results of the EIV Former Tenant Search.

If any information that could negatively impact the household’s application to or assistance from MPHA is discovered on the EIV searches, MPHA will discuss the findings with the applicant, giving the applicant the opportunity to explain any relevant circumstances.

Depending on the outcome of this discussion, MPHA may follow up with third parties, including the respective public housing agency or owner to confirm the individual’s program participation status before admission.

MPHA will retain the EIV search results with the application, along with any documentation obtained as a result of contact with the applicant and MPHA and/or owner at the other location.

6.13 Student Status Verification

MPHA requires families to provide information about the student status of all household members who are 18 years of age or older. Members 18 years old or older who wish to declare themselves as full time students (FTS) in order to claim the full-time student income exclusion must verify they are either enrolled full time in a high school working towards a diploma or enrolled full-time at an accredited higher learning institution.

Students must be enrolled full time continuously throughout the academic year. Members will be granted full time student status only if:

- The family can provide enrollment verification for the current academic year certified by the school’s registrar’s office; or
- The family provides a class list for the current academic year showing the number of credit hours determined by the institution to reflect full-time status.

If the member stops attending school as a full-time student (FTS), they must report and update their status to MPHA within 10 business days of the enrollment change. Members with full-time student status must verify they were enrolled the full academic year upon their next annual recertification.

Identifying each FTS is important because:

- Each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent allowance; and
- The earned income of such an FTS is treated differently from the income of other family members.

6.13.1 Student Financial Assistance

Any financial assistance, in excess of amounts received for tuition and books, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income, unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance.

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Excluded amounts are verified only if, without verification, MPHA would not be able to determine whether or to what extent the income is to be excluded verification following the verification hierarchy.

For a student subject to having a portion of his/her student financial assistance included in annual income, MPHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, MPHA will request written verification of the student's tuition amount. If MPHA is unable to obtain third-party written verification of the requested information, MPHA will pursue other forms of verification following the verification hierarchy.

6.13.2 Opting to Not Declare Student Status

Families can choose whether or not to declare FTS status at lease-up or unit transfer. If the family chooses not to declare FTS status at lease-up for one or more family members, those family members' income will be included in determining affordability for the family's selected unit, which will allow families greater flexibility in locating an affordable unit.

However, once a family member's FTS status is not declared for purposes of affordability, the member's income will always be counted regardless of FTS status until they move to another unit.

6.14 Verification of Students Subject to 5.612 Restrictions

For any student who is subject to the 24 CFR 5.612 restrictions, MPHA will:

- Follow its usual policies in determining whether the student individually and the student’s “family” collectively are eligible for the program;
- Determine whether the student is independent from his/her parents in accordance with the definition of independent student in this section; and
- Follow the policies below, if applicable, in determining whether the student’s parents are income eligible for the program.

If a student is applying for assistance on his/her own, apart from his/her parents, MPHA will determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, MPHA will ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student’s parents are income eligible for the program, and (3) the “family” with which the student is applying is collectively eligible for the program.

If MPHA determines that the student, the student’s parents (if applicable), or the student’s “family” is not eligible, MPHA will send a notice of denial, and the applicant family will have the right to request an informal review.

6.14.1 Verification of Student Independence

After determining that a student is subject to 5.612 restrictions, MPHA will seek to determine if the student meets the U.S. Department of Education’s definition of “independent student.” To do this, MPHA will take the following steps:

- Reviewing and verifying previous address information to determine evidence of a separate household;
- Reviewing a student’s prior year income tax returns to verify the student is independent or verifying; and
- Verifying income provided by a parent to the student by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income except if the student meets the Department of Education’s definition of “independent student.”

If MPHA determines that an individual meets the definition of a vulnerable youth, including a homeless or unaccompanied youth, such a determination is all that is necessary to determine that the person is an independent student for the purposes of using only the student’s income for determining eligibility for assistance. MPHA will verify that a student meets the above criteria in accordance with the policies.

6.14.2 Verification of Parental Income for Students

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of “independent student,” MPHA will verify and determine the income eligibility of the student’s parents. MPHA will do so by requesting an income declaration and certification of income from the appropriate parent(s). MPHA will send the request directly to the parents, who will be required

to certify their income under penalty of perjury. The parents will be required to submit information directly to MPHA.

MPHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

- If the student's parents are married and living together, MPHA will obtain a joint income declaration and certification of joint income from the parents;
- If the student's parent is widowed or single, MPHA will obtain an income declaration and certification of income from that parent; or
- If the student's parents are divorced or separated, MPHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of their parents and has not had contact with or does not know where to contact the other parent, MPHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. MPHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, MPHA will use the income limits for the jurisdiction in which the parents live.

6.15 Applicant Fails to Respond to Verification Request

Applicants are required to respond to requests by MPHA for verification of household composition, income, and/or expense information. MPHA will take the following actions when a family fails to respond to the request for verification:

- Ten (10) business days after the request for verification, MPHA will send a Nondisclosure of Information Appointment letter to the head of household, warning of the consequences if the family fails to contact MPHA within the time frame set forth in the letter; and
- If, at the end of the time frame set forth in the letter, the family has not provided the requested information, MPHA will send the family a termination letter or remove the family from the waitlist, ending the new admission process.

6.16 Fraud

Information provided by an applicant or participant that proves to be untrue may be used to disqualify the applicant for admission or terminate the participant on the basis of attempted fraud. MPHA will consider false information concerning the following to be grounds for rejecting an applicant or terminating assistance:

- Income, assets, and family composition;

- Social Security Numbers;
- Characteristics that allow the household to meet waiting list preferences;
- Allowances (e.g., medical, disability and/or childcare expenses); and
- Previous participant history or criminal history.

The applicant shall be notified in writing of such determination by MPHA and will be given the opportunity for a hearing.

6.17 Final Eligibility Determination and Program Admission

If MPHA determines that a family is not eligible for admission to the program for any reason, the family will be notified of a decision to deny assistance in writing within 30 calendar days of the determination. See policies on “Notice of Denial” and “Informal Reviews.”

If MPHA determines a port-in participant is ineligible MPHA will return the port-ins to the initial HA.

C - INCOME AND RENT

7.0 Income Determination

Household income is used to determine whether a household is eligible for assistance under the HCV program and how much assistance is provided. MPHA will calculate household income at program admission, during regular recertifications (generally conducted on an annual or triennial basis), and during interim recertifications initiated by the household or MPHA.

7.1 Annual Income Inclusions and Exclusions

Not all income received by family and household members will be included in income calculations. Some inclusions and exclusions are set forth in HUD regulations and others are determined by MPHA under the flexibilities granted to the agency by HUD, including flexibilities granted under the agency's Moving to Work status. This section outlines which income is included and excluded in these calculations.

7.1.1 Annual Income Inclusions

All income received from any source by adult family members, plus any unearned income received by or on behalf of minor family members, unless specifically excluded under Annual Income Exclusions section, is included in the calculation of household income. Generally speaking, the gross amount of income will be used in income calculations.

7.1.2 Annual Income Exclusions

Some sources of income are excluded from income calculations. Common types of excluded income are:

- Income from the employment of children (including foster children) under the age of 18 years;
- Benefits from the Supplemental Nutrition Assistance Program (SNAP);
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains, and settlements for personal or property losses (except as provided in paragraph (b)(5) of 24 CFR 5.609);
- Income of an MPHA-approved live-in aide;
- The full amount of student financial assistance paid directly to the educational institution;
- Amounts received under training programs funded by HUD;
- Incremental earnings and benefits resulting to any family member from participation in qualifying employment training programs. See 7.1.3 for more information. Temporary, nonrecurring or sporadic income (including gifts); and

- Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse).

Note that gambling and bingo proceeds are included in income calculations, as are most forms of tribal income for with the participant receives a 1099-Misc. Additionally, under MPHA's Moving to Work authority, the agency has determined to include income received by a household member for the care of another household member, unless the caregiving household member has been approved by MPHA as a live-in aid.

For a full list of income that may be excluded, please see 24 CFR 5.609(b)(2).

7.1.3 Exclusions for Qualifying Training Programs

Incremental earnings and benefits received by a family member as a result of participation in a qualifying employment or training program are excluded from annual income, provided that the program meets the following definition of a qualifying program:

- “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time.”

Incremental earnings and benefits are the difference between the family member's total welfare assistance and earnings before enrollment in the training program, and the total welfare assistance and earnings received while participating in the program. The exclusion applies only for the period of participation.

This exclusion applies to qualifying Federal, State, Tribal, and local employment training programs, including programs not affiliated with a local government, resident management staff training, and training programs funded in whole or in part by HUD.

For HUD-funded training programs, eligible funding sources include operating subsidies, Section 8 administrative fees, modernization funds, Community Development Block Grant (CDBG) funds, HOME funds, and other HUD grant programs.

MPHA will determine pre-enrollment income using the total annualized welfare assistance and earnings reported on the family's most recently completed HUD-50058. The end of participation will be processed in accordance with MPHA's interim reporting requirements.

7.2 Types of Income

This section details how various types of employment and wages are considered within the framework of HCV income calculations. If a specific scenario is not outlined in these operating procedures, MPHA reserves the right to make a determination about how a household's income will be calculated, adhering to all relevant regulations and treating all households consistently.

7.2.1 Business Income for Participant

When a household member receives income from a business owned, in whole or in part, by that household member, the net business income will be used in household income calculations. Net income is gross income less allowable business expenses. To identify allowable business expenses, MPHA will elect to use current applicable Internal Revenue Service (IRS) rules [see IRS

Publication 535], unless an expense is determined to be unreasonable by MPHA or a topic is addressed by HUD regulations or guidance as described below. Business expenses should be valid and reasonable for the profession claimed by the participant.

Business expenses used to calculate net business income must be verified pursuant to the succeeding sections.

If the family does not claim any expenses, the gross business income will be used for the income calculation. If the family claims expenses but fails to provide supporting documentation, at its discretion, MPHA may grant the expense deduction claimed, up to 50% of the gross business income. If partial documentation is provided, MPHA will calculate net income utilizing the documentation provided. MPHA will use its discretion to determine if reported business expenses are unreasonable and determine a reasonable method to calculate net business income. Self-declaration of business expenses exceeding 50% of gross business income will not be accepted to validate net income calculations.

For participants who work as subcontractors for rideshare companies providing rideshare services, such as Lyft and Uber, MPHA will use the following policy for calculating income:

- If the income verification provided lists any platform fees and expenses, MPHA will use the total earnings minus any platform fees and expenses. If the income verification provided does not list any platform fees and expenses, MPHA will use the total earnings reflected on the documentation provided; and
- MPHA will grant a standard expense deduction. The standard expense deduction will be applied to all subcontracted rideshare income and will reflect expenses related to mileage, vehicle rental fees, and vehicle maintenance.

The Working Family Incentive income deduction of 15% of the earned income for eligible households will be deducted from the annualized income after the standard expense deduction is applied.

7.2.2 Co-Owned Businesses

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

7.2.3 Business Expansion

HUD regulations do not permit MPHA to deduct expenses for business expansion from gross income.

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of property by a hair care business to open at a second location would be considered a business expansion expense.

7.2.4 Capital Indebtedness

MPHA will not deduct from gross income the amortization of capital indebtedness.

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means MPHA will allow as a business expense, interest, but not principal, paid on capital indebtedness.

7.2.5 Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

7.2.6 Withdrawal of Cash or Assets from a Business

MPHA will include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, MPHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

7.2.7 Social Security Benefits

Social Security cash benefits are counted for all members of the household that receive a benefit. Social Security benefits include:

- Social Security Retirement;
- Supplemental Security Income (SSI);
- Social Security Disability (SSD); and
- Retirement Survivors and Disability Insurance (RSDI).

The gross amount of these benefits will be used to annualize income from this source unless money is being recouped by the Social Security Administration due to an overpayment of benefits.

Overpayment occurs when SSA pays an individual more than the individuals should have been paid. Regardless of the amount withheld or the length of the withholding period, MPHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. If eligible based on current interim income change policies, MPHA will perform an interim rent calculation when the overpayment is paid in full.

7.2.8 Welfare Assistance

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any need-based cash benefit payments made under programs funded separately or jointly by federal, state, or local governments.

If a household's welfare income is reduced for non-punitive reasons, MPHA will include the actual amount of welfare income received by the family when calculating household income.

IMPORTANT: This rule applies only if a family received HCV assistance at the time the sanction was imposed.

7.2.9 Imputed Income Policy

Imputed income refers to the cash value of benefits or income not actually received by a household but still counted as income when calculating household income and assistance. Families covered by the "imputed income" policy are those "who receive welfare assistance or other public assistance benefits from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance."

MPHA will impute the income for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in welfare benefits due to:

- Fraud by a family member in connection with the welfare program;
- Noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program or work activities requirement;
- A "specified welfare benefit reduction" does not include a reduction of welfare benefits due to:
 - The expiration of a lifetime time limit on receiving benefits
 - A situation where the family has complied with welfare program requirements but cannot or has not obtained employment (an example: the family has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits)
 - Noncompliance with other welfare agency requirements

7.2.10 Calculation of Imputed Welfare Income

The amount of imputed welfare income is determined by MPHA, based on written information supplied to MPHA by the welfare agency, including:

- The amount of the benefit reduction;
- The term of the benefit reduction;
- The reason for the reduction;
- Subsequent changes in the term or amount of benefit reduction.

Imputed welfare income will be included at regular and interim reexaminations during the term of reduction of welfare benefits.

The amount of imputed welfare income will be offset by the amount of additional income a family receives that begins after the sanction was imposed. When additional income is at least equal to the imputed welfare income, the imputed income will be reduced to zero.

7.2.11 Verification of Reduced Welfare Before Denying a Request to Reduce Rent

MPHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced because of fraud or noncompliance before denying the family's request for rent reduction. MPHA will rely on the welfare agency's written notice to MPHA regarding welfare sanctions.

7.2.12 Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income and MPHA denies the family's request to modify the amount, MPHA will provide the tenant with a notice of denial, which will include:

- An explanation for MPHA's determination of the amount of imputed welfare income;
- A statement that the tenant may request an informal hearing.

7.2.13 Payments In Lieu of Earnings

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount that was issued due to the delayed start of a periodic payment, so long as MPHA receives proof of planned future periodic payments from the same source. If payments are received in a one-time lump sum for reasons besides a delayed start to periodic payments (e.g., a settlement), the payments are not included in income calculations.

7.2.14 Alimony and Child Support

MPHA will count court-awarded amounts for alimony and child support unless MPHA verifies that the payments are not being made. If the family declares that it receives irregular payments that differ from the court awarded amounts, MPHA will count as income an average of the payments received over the most recent ninety-day or full three-month period, including months payment was due but not received.

Families who receive alimony or child support but do not have such support court-awarded are not required to seek a court award, nor required to take independent legal action to obtain collection. The family will be required to provide a statement declaring support payments. If no payments are received for the 60 consecutive days preceding the application or recertification, alimony and child support payments will not be counted as annual income.

MPHA will include in income calculations the alimony or child support amounts awarded as part of a divorce or separation agreement.

7.2.15 Regular Contributions and Gifts

MPHA will count as income all monetary and nonmonetary contributions or gifts from persons not residing with an assisted family, other than those received on a temporary, nonrecurring, or irregular schedule. These contributions will remain being counted as income until the next annual recertification or move unless updated verification documentation is received prior. Examples of regular contributions, which will be counted as income, include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by MPHA. For contributions that may vary from month to month (e.g., utility payments), MPHA will include an average amount based upon past history.

7.2.16 Temporary, Nonrecurring, or Sporadic Income

Sporadic income is income that is not received with regular cadence or frequency and cannot be reliably predicted. Temporary, nonrecurring or sporadic income and/or gifts are not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days.

Example: Income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Daniel works occasionally as a handyman. He claims to have worked only a couple of times last year and he has no documentation to support this claim. His earnings are neither reliable (he cannot depend on them) nor do they recur at regular intervals. Daniel's handyman earnings are not included in annual income. If Daniel is the sole household member and has no other sources of income or benefits, he would fall under the zero-income verification and reexamination requirements.

7.2.17 Income of Absent Family Members

Generally, an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Temporarily absent members will still have their income counted. Generally, an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent, no longer a family member, and the household's income and composition will be adjusted to account for their permanent absence.

7.2.18 Income of a Person Moving into HCV From a Nursing Home

If a family member is admitted to the HCV program upon release from a nursing home, rehabilitation center or other healthcare or assisted living facility, and verifies a reduced Supplemental Security Income or Old Age, Survivors, and Disability Income (OASDI) income from Social Security; MPHA will annualize the current income and conduct an interim reexamination within 90 calendar days of the date of admission.

If within the 90 calendar days, the tenant experiences an increase in income from the Social Security Administration, MPHA will process an increase in rent between the regularly scheduled reexaminations.

7.3 Assets

There is no asset limitation for participation in the HCV program. However, HUD requires that MPHA include in annual income the anticipated “interest, dividends, and other net income of any kind from real or personal property.” This section discusses how the income from various types of assets is determined. For most types of assets, MPHA will determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined; and
- How income from the asset will be calculated.

Throughout this section, we will refer to Market Value and Net Cash Value. Market Value is the face value of an asset (i.e., the value of a Certificate of Deposit). The Net Cash Value of an asset is the Market Value less reasonable expenses that would be incurred in disposing of real property, savings, stocks, bonds and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The following are examples of reasonable expenses which would be deducted in determining the net cash value of an asset.

- Penalties for premature withdrawal;
- Broker and legal fees; and
- Settlement costs for real estate transactions.

7.3.1 Lump-Sum Payments

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account). For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see Periodic Payments above.

7.3.2 Income from Assets Policy

When the value of an asset is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

When net family assets are \$50,000 or less, the PHA will accept self-certification of the value of and income from the asset, and include in annual income the actual income anticipated to be

derived from the assets. When the family has net family assets in excess of \$50,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes MPHA to use alternative circumstances to anticipate income when:

- An imminent change in circumstances is expected;
- It is not feasible to anticipate a level of income over 12 months; or
- MPHA believes that past income is the best indicator of anticipated income.

For example, if a family member owns real property that typically generates rental income, but the property is currently vacant, MPHA can consider past rental income along with the prospects of obtaining a new tenant.

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to MPHA to show why the asset income determination does not represent the family's anticipated asset income.

7.3.3 Passbook Savings Rate

Changes to the passbook rate will take effect when HUD adopts updated rates. The PHA will use the HUD provided passbook rate to calculate asset income.

7.3.4 Assets Disposed of for Less than Fair Market Value

MPHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim reexamination to eliminate consideration of the asset(s).

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Assets disposed of as a result of foreclosure, bankruptcy, divorce or separation are not considered to be assets disposed of for less than fair market value. To receive the exemption of assets disposed of as a result of divorce or separation, the family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Families must sign a declaration form at initial certification and each annual reexamination identifying all assets that have been disposed of for less than fair market value, if applicable.

MPHA may verify the value of the assets disposed of if other information available to MPHA does not appear to agree with the information reported by the family.

7.3.5 Checking and Savings Accounts

In determining the value of checking and savings account, MPHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, MPHA will multiply the value of the account by the current rate of interest paid on that account.

7.3.6 Investment Accounts

MPHA will determine the market value of an investment account using the value reported on the most recent investment statement or report. The cash value of the asset is determined by deducting from the market value any costs associated with converting the asset to cash, including broker fees, penalties for early withdrawal, or other liquidation costs.

Interest or dividends earned by investment accounts are counted as actual income from assets, even when the earnings are reinvested and not distributed to the household.

MPHA will calculate anticipated income from investment accounts based on whether the rate of return is known. For assets with a known rate of return (e.g., savings certificates), asset income will be calculated by multiplying the market value of the asset by the stated rate of return. When the anticipated rate of return is not known (e.g., stocks), MPHA will calculate asset income based on the earnings reported during the most recent reporting period.

Any withdrawal of cash or assets from an investment will be included in income, except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

7.3.7 Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset, less the unpaid balance on all loans secured by the asset, and reasonable costs (such as broker fees) that would be incurred in selling the asset. MPHA will also deduct from the equity the reasonable costs of converting the asset to cash.

The net cash value of real property is the market value of the property minus the unpaid balance on the loan (mortgage) and expenses to convert the asset to cash. For the purpose of calculating expenses to convert real property to cash, MPHA will use ten percent of the market value of the home.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs;
- The value of a home currently being purchased with assistance under the HCV program's Homeownership Option for the first 10 years after the purchase date of the home;

- Equity in owner-occupied cooperatives and manufactured homes in which the family lives;
- Equity in real property when a family member's main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated;
- Interests in Indian Trust lands; and
- Real property and capital assets that are part of an active business or farming operation.

A family may have real property as an asset in two ways:

- Owning the property itself, or
- Holding a mortgage or deed of trust on the property

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. Only the interest portion of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless MPHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

7.3.8 Personal Property

In determining the value of non-necessary personal property held as an investment, MPHA will use the family's estimate of the value. MPHA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but shall not be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

7.3.9 Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole-life or universal-life policy, is included in the calculation of the family's assets.

The cash value is the surrender value (the amount the family would receive if they canceled the policy). If such a policy earns dividends or interest that the family can elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

7.3.10 Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, MPHA will count the full value of the asset. A family member has unrestricted access to

an asset when they can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, MPHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, MPHA will prorate the asset evenly among all owners.

7.4 Verifying Income

MPHA will verify income using applicable regulatory, MTW, and agency policies and procedures.

7.4.1 Verification of Earned Income

For earned income being verified through paystubs, MPHA will request:

- 3 consecutive pay stubs for weekly pay;
- 3 consecutive pay stubs for bi-weekly or semi-monthly pay; and
- 3 consecutive pay stubs for monthly pay.

At its discretion, MPHA may accept non-consecutive pay stubs. If an applicant/tenant provides more than the minimum required pay stubs for verification, MPHA will use only the minimum number of paystubs required and will ensure that the pay stubs used reflect the most current pay stubs provided.

MPHA may accept the most current year's tax statements to verify annual income. If a participant uses a W-2 or other tax forms to report income as an annual amount, the participant is not eligible for an interim decrease unless they are terminated or resign from their employment. Overtime wages, shift differential pay, and bonuses will be included in the calculation of wages.

7.4.2 Business and Self Employment Income Verification

All business owners, self-employed persons, and independent contractors, other than those specifically considered in sections 7.4.3, will be required to provide one or more of the following:

- An audited financial statement or balance sheets for the previous fiscal year if an audit was conducted;
- If an audit was not conducted, a statement of income and verified expenses must be submitted and the business owner or self-employed person must certify to its accuracy;
- IRS Form 1040, Schedule C stating gross income from business, itemized list of business expense deductions, and supporting documentation for all business expense deductions listed;
- IRS 1099-MISC to verify gross income for independent contractors and supporting documentation for all business expenses; and
- All IRS schedules completed for filing federal and local taxes in the preceding year. If accelerated depreciation was used on the tax return or financial statement, an

accountant's calculation of depreciation expense, computed using straight-line depreciation rules, must be provided.

MPHA will grant a standard expense deduction and use its discretion to apply IRS rules for reporting self-employment income and calculating business expense deductions to ensure deductions are reasonable and fall within IRS guidelines. Business expenses can be denied by MPHA if the expense is unreasonable or is not business-related, based on the participant's declared occupation.

At any reexamination, MPHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, mileage logs, or bank statements. MPHA will require the family to provide documentation of income and expenses for the applicable period and use that information to project the annual income.

It is the participant's responsibility to supply supporting documentation for self-employment income in a neat and organized format. Documents that are not organized upon submission will not be accepted.

7.4.3 App-Based Delivery Services and Rideshare Subcontractor Income Verification

App-based delivery service and rideshare independent contractors must provide official work statements from the app facilitating the work for income verification. MPHA will require a minimum of the two most recent monthly statements or the four most recent weekly, consecutive statements.

7.4.4 Alimony or Child Support Verification

The methods MPHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments. If the family declares that it receives regular payments, MPHA will use the following documents to verify the income, listed in order of preference:

- A current record of payments issued by the state or local entity facilitating the payments;
- Third-party verification from the person paying the support;
- Copy of a separation agreement, settlement agreement, or a divorce decree stating amount, type, and schedule of payments;
- Copy of the latest check and/or payment stubs;
- Family's self-certification of amount received.

If the family declares that it receives irregular or no payments, MPHA will verify payments using a disbursement history provided by the child support enforcement agency. Families are not required to undertake independent enforcement action.

Participants will be required to show at least three full months of payments to be used for income calculation.

7.4.5 Income from Excluded Sources

For fully excluded income, MPHA is not required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058.

- Fully excluded income is defined as income that is not included in the annual income determination (ex., food stamps, earned income of a minor, or foster care funds) MPHA will accept a family's self-certification as verification of fully excluded income;
- Self-certification will not be acceptable for members requesting the full-time student exclusion of income. MPHA may request additional documentation if necessary to document the income source.

Partially excluded income is defined as income where only a portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income. MPHA will verify the source and amount of partially excluded income, including for members requesting a full-time student exclusion.

7.4.6 Retirement Accounts Verification

MPHA will accept written third-party documents supplied by applicant and tenants as evidence of retirement accounts. The type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, MPHA will accept the most recent account statement from the entity holding the account. The statement must be dated within six months of the effective date of the examination and must reflect that it is the account's most recently scheduled statement.

Upon retirement, MPHA will accept an original document from the entity holding the account that reflects the account balance and any distributions, including lump-sum withdrawals and regular payments.

After retirement, MPHA will accept an original document from the entity holding the account that reflects the account balance and any distributions, including lump-sum withdrawals and regular payments. The document must be dated no earlier than 12 months before the recertification date.

7.4.7 Reasonableness of Expenses

When net family assets are \$50,000 or less, the PHA will accept self-certification of the value of and income from the asset.

Where assets total more than \$50,000, MPHA will require third party documentation that allows MPHA to determine the current cash value of the asset(s). Acceptable verification of assets may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker;
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker;
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated security or real estate;

- Real estate tax statements if the approximate current market value can be declared from assessment;
- Financial statements for business asset;
- Copies of closing documents showing the selling price and the distribution of the sales proceeds; and
- Appraisals of personal property.

7.4.8 Equity in Real Property or Other Capital Investments

MPHA will verify the market value of the property, the outstanding balance on any loans secured by the property, and any ownership share held by the family. The verified information will then be used to determine the net cash value of the asset according to the calculation methodology described above.

7.4.9 Rental Property Verification

To verify net income from rental property, the family must provide either:

- A current executed lease for the property that shows the rental amount or certification from the current tenant; or
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income).

If Schedule E was not prepared, MPHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement, including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7.4.10 Trusts

A trust is a legal arrangement generally regulated by state law, in which one party (the creator or grantor) transfers property to a second party (the trustee), who holds the property for the benefit of one or more third parties (the beneficiaries).

- **Revocable Trusts:** If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.
- **Irrevocable Trusts:** In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate.

7.5 Annualizing Family Income

MPHA will annualize income to calculate participant rent portions and Housing Assistance Payments (HAP). Annual income will be calculated for all actions that require a rent calculation or change of income. MPHA will annualize each source of non-excluded income and sum the annualized amounts to determine the family's total gross annual income.

Income may be annualized using different calculation methods depending on the type of income and the documentation available. In general, MPHA will project anticipated annual income using either an average payment method based on recent income documentation or a year-to-date (YTD) calculation method based on earnings received so far in the current year. When multiple methods are available, MPHA staff will evaluate which approach provides the most accurate projection of anticipated annual income.

MPHA will verify income frequency and amounts using documentation provided by the family.

Wage income will be calculated using cents and dollars but may be rounded to the nearest dollar by MPHA's software.

MPHA will utilize the following frequencies when annualizing recurring income:

- Weekly (52 pay periods)
- Biweekly (26 pay periods)
- Semi-monthly (24 pay periods)
- Monthly (12 months)
- Annually (1 year)

7.5.1 Seasonal Wages

People in some occupations regularly work less than 12 months per year, e.g., agricultural workers and construction workers. To determine annual income for individuals who have seasonal income, MPHA will use past actual income received or earned within the last 12 months of the determination date. Documentation may include, but is not limited to UIV, EIV, W-2 forms, 1099, paystubs, and tax returns with supporting income documentation.

7.5.2 Academic Calendar Employees

Participants employed by a school or school district who do not work during the summer months will have their school year income annualized by converting the average pay to an average weekly pay and multiplying the weekly average by 39 weeks - the average number of weeks in a school year - unless the documentation received to verify the income supports a different frequency or length of employment. Annualizing the income by 39 weeks accounts for the unpaid summer months. Academic calendar employees will not be eligible for an interim decrease over the summer unless they verify their employment with the school has ended permanently.

Summer jobs or unemployment compensation collected by the participant during the summer months will need to be reported and will be reviewed to determine if it should be counted towards

the family's annual income and rent calculation. If counted, families may use their one-time interim decrease when the summer job or unemployment income ceases when the school year begins. Unemployment should be calculated at 13 weeks and included in the family's income.

7.5.3 Annualizing Wage Income Using Year-to-Date (YTD) Earnings and Paystub Averaging

When wage income can be annualized using both a paystub average method and a year-to-date (YTD) method, MPHA staff will calculate income using both approaches and determine which method provides the most appropriate projection of anticipated annual income.

Paystub Average Method:

Under this method, MPHA staff will:

- Verify the family member's pay frequency;
- Determine the average gross earnings per pay period using recent paystub documentation; and
- Multiply the average gross earnings per pay period by the number of pay periods in a year to determine anticipated annual income.

Year-to-Date (YTD) Method:

If a participant's YTD gross wage income can be verified, MPHA will use the YTD income as one method for projecting annual wages. If the hire date is within the current calendar year and can be verified, the exact hire date will be used in the YTD calculation. If the hire date cannot be verified or occurred in a previous calendar year, the first day of the current calendar year (01/01/20XX) will be used in the YTD calculation. Use of the YTD method reduces the risk of underestimating and underreporting earned income at the time of reexamination.

To annualize wages using the YTD method, MPHA staff will:

- Verify the family member's pay frequency;
- Determine the number of pay periods that have occurred since January 1 of the current year or since the verified hire date, whichever is more recent, using the check date on the most recent paystub;
- Divide the gross YTD earnings by the number of pay periods elapsed to determine the average gross earnings per pay period; and
- Multiply the average gross earnings per pay period by the number of pay periods in a year to determine anticipated annual income.

The two annualized amounts must be compared. In most cases, the higher amount will be used as anticipated annual income, consistent with HUD guidance to project income the family is expected to receive during the upcoming 12-month period.

If the difference between the two calculations exceeds \$3,000, HCV staff must review the circumstances to determine which calculation most accurately reflects anticipated annual income in accordance with MPHA HCV income verification and calculation procedures.

If there is a verifiable reason to use the lower amount (for example, a documented reduction in hours or wages that will affect future earnings), HCV staff must document the justification and support verification in the case notes.

MPHA staff must verify and document this calculation using the Wage Calculation Worksheet and retain the documentation in the family file.

7.5.4 Adjusted Annual Income

Once gross annual income has been calculated, MPHA will determine the family's adjusted annual income by subtracting any deductions/allowances for which the family qualifies. MPHA will apply the adjusted gross income to calculate HAP payments and the family's rent portion. Standard deductions/allowances are detailed in the Standard Deduction section.

7.5.5 Anticipating Annual Income

MPHA will generally use current circumstances to determine anticipated income and expenses for the coming 12-month period. MPHA may use alternative (other than current) circumstances to anticipate income and expenses when:

- An imminent change in circumstances is expected;
- It is not feasible to anticipate a level of income or expenses over a 12-month period (e.g., seasonal or cyclic income); or
- MPHA believes that past income is the best available indicator of expected future income.

In these instances, MPHA may review and analyze historical data for patterns of employment, paid benefits, and receipt of other income or expenses, and use the results of this analysis to establish annual income. MPHA will not use EIV quarterly wages to project anticipated annual income. In all instances where historical information is used, the family may present information and documentation to MPHA to show why the historic pattern does not represent the family's anticipated income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file.

7.6 Zero Income

A zero-income household member is a member who does not receive any income, contributions, and/or benefits on their own behalf or on behalf of another individual in the household. A zero-income household is a household that includes only zero-income household members.

Members must certify their zero-income status by signing and dating the MPHA Declaration of Zero Income Form. Live-in aides do not need to sign the zero income form, because their income is excluded from household income calculations.

If no member of the household has any income, the Head of Household will need to complete a Zero-Income Household certification form. The form requires the family to certify that no household member is currently receiving income, including but not limited to employment income, benefits, or other recurring income sources.

7.6.1 Third-Party Verification of Support

When completing a Zero-Income Household Certification form, the family will be asked to explain how they cover household expenses. If the family's explanation indicates that the household is receiving ongoing or regular financial support, contributions, or assistance from any individual, organization, or other source, MPHA must require third-party verification of the support. Ongoing, regular contributions that can be reasonably anticipated to continue must be included as household income in accordance with HUD income definitions.

MPHA will check EIV sources and may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero income.

7.7 Student Income

Earned income in excess of \$480 per year for each verified full-time student 18 years old or older (except for the head, spouse, or domestic partner) is excluded from income for the family. To be considered full-time, a student's enrollment must be considered full-time by an educational institution with a degree or certificate program. Students enrolled in a college or university must be enrolled in at least 12 credits per term to qualify as full-time student

7.7.1 Student Financial Assistance

To determine annual income in accordance with the above requirements, MPHA will use the definitions of dependent child, institution of higher education, and parents along with the following definitions:

- Assistance under the Higher Education Act of 1965 includes Pell Grants, Federal Supplemental Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work-Study programs;
- Assistance from private sources means assistance from non-governmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit;
- If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition;
- Tuition and fees are defined in the same manner in which the Department of Education defines tuition and fees [Notice PIH 2015-21]. This is the amount of tuition and required fees covering a full academic year most frequently charged to students. The amount represents what a typical student would be charged and may not be the same for all students at an institution;
- Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (e.g., nursing program); and

- Expenses related to attending an institution of higher education must not be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed-sum charges.

7.7.2 Student Financial Assistance Excluded from Annual Income

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance;
- Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of institution of higher education;
- Students who are over 23 AND have at least one dependent child; and
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

7.8 Standard Deductions

In determining adjusted income, MPHA will deduct the following amounts from annual income:

- Elderly/Disabled Household allowance
 - \$750.00 For Disabled families
- Dependent allowance
 - \$480.00 for each dependent
- Working Family Incentive
 - 15% Deduction in earned income for each adult with earned income in a household with at least one dependent Eligibility for deductions/allowances must be verified with the proper documentation as stated in the Verifying Income section of the Operating Procedures.

7.8.1 Dependent Deduction Policy

An allowance of \$480 is deducted from annual income for each dependent, which is defined as any family member other than the head, spouse, or domestic partner who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents.

7.8.2 Elderly or Disabled Family Deduction Policy

A single deduction of \$750 is awarded to any elderly or disabled family. An elderly family is a family whose head, spouse, domestic partner, or sole member is 62 years of age or older. A disabled family is a family whose head, spouse, co-head, or sole member is a person with disabilities.

7.8.3 Working Family Incentive (WFI)

The Working Family Incentive (WFI) is available to families that have earned income from wages and at least one minor child in the household. The WFI provides a deduction of 15% off the gross annual wage income for each working adult in the household, unless the wages are excluded.

Families on a repayment agreement with MPHA are not eligible for the WFI and will have the full amount of their wages counted while they are under repayment. If a family is in a repayment agreement with another PHA, they are eligible for the WFI. If the family fulfills the repayment agreement, the WFI will be reinstated. Families participating in the Family Self Sufficiency (FSS) program are not eligible for the WFI deduction.

7.9 Interim Changes

7.9.1 Reporting Changes in Income

Families are required to report most increases in income for all income sources within 10 days of the change. Families must request an interim rent change by completing an income change request form and providing the required income verification documents. Decreases in income are not required to be reported to MPHA.

7.9.2 Income Increases

If an income increase is reported to MPHA, the change will be effective on the first of the month following a full month waiting period. Late reporting or underreporting of an income increase may impact the effective date and may result in the family having to enter into a repayment agreement for overpaid housing assistance.

Example: A participant reports a new job on March 13. March is the reporting month and April is the waiting month. The rent change will be effective May 1.

If a household member who doesn't have any income gets new income, the change must be reported to MPHA in writing within 10 business days. This increase in income will be processed as an interim recertification.

If a household member who currently has reported income gets additional income, the change does not have to be reported to MPHA until the household's next annual recertification or move. Additionally, the following types of increases do not need to be reported:

- COLA increases for Social Security benefits; and
- One-time gifts from friends or family.

If required documentation is not available within the 10-day timeframe, the income change form should be submitted immediately, and supporting documentation should be submitted as soon as it is available. The effective date of the change will be based upon the date of the income increase. The family may need to enter into a repayment agreement to reimburse MPHA for any overpaid HAP due to the delay in providing the needed documents.

7.9.3 Income Decreases

Income decreases are defined by MPHA as a loss of income that is expected to last for 30 days or more. If the loss of income is expected to last for fewer than 30 days, no action will be taken to adjust a family's rent.

In order for a household to be eligible for an interim recertification due to a loss of or decrease in income, the reduction must be equal to least 10% of the current total household income. MPHA will not make any interim changes to = rent portions for smaller decreases in income. Instead, the change will be made at the family's next annual recertification. MPHA will process interim rent decreases for the beginning of the month following the reporting month (not requiring the waiting month) for families that meet the following criteria:

- The request is made on or before the 20th day of the reporting month. If the 20th falls on a weekend or holiday, the last business day prior to the 20th is the deadline;
- The change is reported in accordance with all other reporting policies; and
- The request is made in writing, and all supporting documentation is submitted.

Participants who fail to meet the 20th of the month reporting deadline will have their change follow the reporting and waiting month timeline.

Verification required to report an income change includes the following, as applicable:

- Paystubs;
- Termination letter;
- Stop-work verification;
- Letter from Social Security Administration; or
- County benefit verification form.

Most families will be allowed one decrease in tenant rent portion due to loss of income per year between recertification cycles.

If a family has already been granted an interim decrease, they may request a hardship waiver for a second interim decrease. If the waiver is denied, the family will not be allowed a rent portion decrease until the next annual recertification or move. Review of the hardship waiver will include circumstances related to the requested change. Voluntary job loss will not qualify for a hardship waiver approval.

Participants in project-based programs, Special Purpose voucher programs, and other special programs as determined by MPHA will be allowed multiple decreases in tenant rent portion due to loss of income between recertification cycles, assuming the decrease meets all other requirements.

It is the family's responsibility to follow up with MPHA after reporting a change if they have not received notification of a rent change or income change denial.

7.9.4 Reporting Family Composition Changes

Families must report changes in family composition before the change occurs whenever possible (ex., before adding an adult to the household) or within 10 days of the change occurring in all other instances (ex., after the birth of a child or when an adult has left the household). Requests must be submitted by completing the family change request form with supporting documentation.

Family changes required to be reported:

- Adding a minor child to the household by birth, adoption, foster care placement, court-awarded custody, or temporary custody/guardianship;
- Removing a minor child from the household;
- Adding a live-in aid to the household;
- Adding an adult to the household; and
- Removing an adult from the household.

Please note, MPHA will not approve the addition of a foster child or foster adult if it will result in a violation of the HQS space standards or the need for a larger unit according to MPHA occupancy standards.

If the change impacts the voucher size, the voucher size will not be changed until the next annual recertification or move, whichever happens first. The addition of a new adult member will not increase the family's voucher size. Only the addition of a minor child by birth, adoption or court-awarded custody will increase the family's voucher size. For a full description of how voucher sizes are calculated, see the Occupancy Standards and Voucher Size Determination section of these Operating Procedures.

Adults and minors being added from outside the household are considered add-on members and do not have the same rights as the initial household members, including but not limited to the right to the voucher, except for instances of reasonable accommodation.

Custody of minor children must be verified with official documentation in order for the minor to be added to the household. Minor children must have their identity verified by presenting vital records or other official documentation.

If the new member has non-excluded income, the new income of the member will be annualized and added to the family's total income. An interim recertification will be completed and rent portions will be recalculated to reflect the new income source, and the effective date of the change will be immediate for the 1st of the following month.

MPHA staff will provide notification to the participant stating if the addition of the new member is approved or denied. If the voucher size is impacted by the change, the letter will state the effective date of the adjusted voucher size. The letter will be documented in the participant's file for future reference

7.9.5 Adding Adult Members

If the family is requesting to add a new adult member, the family will need to complete and submit the Add Adult Member application packet. The new adult member will need to complete the application and provide verification of citizenship status, verification of current income a picture ID, a Social Security card, and will need to pass the criminal background and EIV review before the new adult member will be added to the household. The household must also provide either a statement from their current landlord approving the addition of the new adult to the lease, or a copy of the current lease with the new adult member added.

New adults must meet MPHA's eligibility criteria for entry and can be denied as a member for failing to meet the eligibility criteria. If denied entry, the individual who was denied entry can request an informal hearing in writing to dispute the decision for denial.

7.9.6 Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family composition of a family receiving tenant-based assistance changes during the HAP contract term in such a manner that the family becomes eligible for a different unit size, the new family unit size must be used to determine the payment standard or subsidy for the family beginning at the family's first regular reexamination following the change in family composition. Payment standards used in project-based assistance programs are determined by the physical unit size that a family is residing in, not by the composition of the specific household. As such, changes in household composition for families receiving project-based assistance will not change the payment standard available to the family while they remain in the unit. However, changes in the household composition for families receiving project-based assistance that result in the family being over- or under-housed in their unit will be grounds for MPHA requiring the household to relocate in accordance with 24 CFR 983.260.

7.9.7 Absences from the Unit

Individuals may be absent from the assisted unit/family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Generally, an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. MPHA will require that temporarily absent family members complete and submit required reexamination documents on the household's regular reexamination schedule on a timely basis. Individuals that are absent from the assisted unit/family for more than 90 consecutive days will be considered permanently absent from the household and will be removed from the voucher and household.

7.9.8 Absent Head of Household or Family

If the head of household or all family members are absent from a unit for more than 90 consecutive days, housing assistance payments will cease, and the HAP contract will terminate.

7.9.9 Evidence to Support Family Member is No Longer a Member

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the

family (e.g., documentation of another address at which the person resides). If this documentation cannot be provided, a written explanation of the reason can be submitted for review. MPHA, within its sole discretion, will determine whether the explanation is sufficient to forgo the need for documentation.

7.9.10 Transfer of Head of Household Status – Tenant-Based Programs

A current Head of Household who will be absent from the household and/or assisted unit for more than 90 days may request to have the voucher transferred to a new head of household under specific circumstances. The new head of household will assume all the responsibilities and reporting obligations of being the head of household. The family must submit a completed Household Composition Change Request Form along with all required income and identify documentation before MPHA will transfer the voucher to a new head of household.

Vouchers will only be eligible for transfer to a new head of household if the current household meets one of the following criteria:

- The remaining member is the spouse or domestic partner of the HOH and that member will become the new Head of Household;
- One of the remaining adult members is the parent of, or has legal custody, of all minor children that are current members of the household;
- The remaining member is disabled and/or elderly (62 years or older) and is able to live independently or with the assistance of a live-in-aide. (If there is more than one member who meets this criterion the voucher will be given to the eldest.); or
- There are minor children remaining in the household and a permanent legal guardian who is not a current member moves into the unit to care for the children. The guardian may not add a second family to the voucher.

The following persons or household members are explicitly ineligible to become the new Head of Household:

- Live in Aides;
- Able-bodied, non-elderly adult members that do not meet one of the qualifying scenarios above;
- Adults who were not part of the original household and do not meet one of the qualifying scenarios;
- Family members who are not currently members of the household and will not become the legal guardian of all children in the household; and
- Minor children.

If there is not a qualified adult to establish as the new Head of Household, and the previous Head of Household does not/cannot return to the household prior to the 91st consecutive day of absence, the voucher will be terminated and returned to MPHA's voucher pool. MPHA will use its

discretion to determine if a scenario not listed qualifies or disqualifies a person from becoming the Head of Household. In situations where the remaining members do not qualify to become the head of household, MPHA may allow the family two full calendar months of continued subsidy.

7.9.11 Transfer of Head of Household Status – Project-Based Programs

A project-based voucher/program family requesting a change in head of household must first request the change with their property owner. If the property owner approves, MPHA will process the change in head of household in accordance with standard household composition change processes. There is no time limit on how long the family, in its new composition, may remain in the unit with project-based assistance, unless such a time limit is set by the property owner or the specific type of project-based assistance program.

7.9.12 Re-Admission of a Former Head of Household

In all programs, if the previous head of household wishes to return to the home, they must undergo the process to be added as a new adult add-on member. The previous head of household cannot become the head of household again for the family after the transfer of voucher.

7.9.13 Verification of Head of Household Absence

Before MPHA approves a transfer of the head of household status, the family must supply verification that the current head of household will be absent from the unit for more than 90 days and will be removed as a member of the household. Verification must be written third-party verification.

Examples of required 3rd party verification include, but are not limited to:

- Plane tickets stating the previous head of household is leaving the country;
- Verification from the current landlord that the previous head of household has left the unit;
- A lease for a new address signed by the previous head of household;
- Divorce or separation agreements stating the previous head of household will reside outside the assisted unit;
- A court order for an incarceration sentence of more than 90 days; and
- An Order of protection stating the head of household cannot reside in the assisted unit.

MPHA will use its discretion to request additional verification that the head of household has left the unit and will not return within 90 days. MPHA also reserves the right to deny the transfer of the voucher/assistance if MPHA determines the family is not eligible or the transfer is not appropriate.

7.9.14 Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member as long as verifiable documentation is submitted to MPHA as requested. Examples of such documentation include proof of out-of-state enrollment, tuition receipts, or on-campus housing residency. If information indicating that the student has established a separate household becomes available, or if the family declares that the

student has established a separate household, the individual will not be considered a family member.

7.9.15 Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403]. If a child has been placed in foster care, MPHA will verify with the appropriate agency whether and when the child is expected to be returned to the home.

Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member for one year. If a child has been out of the unit for one year, they will no longer be considered members of the family in determining the voucher size, unless MPHA, within its sole discretion, determines the child will be returning within a reasonable time period.

7.9.16 Absent Head, Spouse, or Domestic Partner Due to Employment/Active Military Service

A head of household, or their domestic partner/ or spouse who is absent from the unit for more than 90 consecutive days due to employment or active military service will continue to be considered a family member provided that their income is included in the calculation of household income (excludes hostile fire pay). Families will be required to provide proof of employment. A family member other than the head of household who will be absent for more than 90 consecutive days due to employment or active military service will not be included in the voucher size calculation.

7.9.17 Absence Due to Medical Confinement

If a family member is confined to a nursing home or hospital for more than 90 consecutive days, that person is no longer considered a family member, and the income of that person is excluded from income calculations.

If there is a question about the status of a family member, MPHA will request verification from a medical professional. If the medical professional responsible for the care of the individual cannot provide a determination of the family member's condition, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person be removed from the household composition.

7.10 File Documentation

MPHA will document in the participant file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file within sufficient detail to demonstrate that MPHA has followed all of the verification procedures set forth in this guide. The record must be sufficient to enable a staff member or reviewer to understand the process followed and the conclusions reached.

MPHA will document, in the family file, the following:

- Reported family annual income;
- Value of assets;

- Expenses related to deductions from annual income;
- Family composition; and
- Other factors influencing adjusted income.

When MPHA is unable to obtain third-party verification, MPHA will document in the family file the specific reason that third-party verification was unavailable.

7.11 Substantial Difference Exists

If UIV/ third party information differs substantially from household-provided information, MPHA reserves the right to request additional verification and use any other verification method in priority order to reconcile the difference.

8.0 Participant Rent and Utilities

MPHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of:

- The applicable payment standard for the family minus the family's Total Tenant Payment (TTP); or
- The gross rent for the family's unit minus the TTP.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

The accurate calculation of annual income and adjusted income will ensure that families are paying the correct amount of rent pursuant to applicable HUD regulations and the Moving to Work (MTW) Plan.

8.1 Rent Calculation Policies

8.1.1 MTW Policy

MPHA's MTW Agreement authorizes MPHA to make determinations with respect to payment standards, rent reasonableness methodologies, and reasonable contract rents, including increases to such rents.

MPHA, in its discretion and pursuant to the MTW authorizations, may explore, establish and implement different rent structures to further align the Program with private sector practices as well as to maximize the use of the subsidy resource to promote and support economic independence among Program Participants.

MPHA's policies regarding payment standards and rent determinations support effective strategies for the deconcentration of poverty by providing participants with meaningful and broader housing opportunities that enable access to quality affordable housing.

8.1.2 Rent Reform

Effective with unit transfers and new issuances processed on or after March 16, 2026, and annual recertifications effective May 1, 2026, MPHA will no longer use the flat subsidy method of determining HAP.

MPHA will continue to utilize many of the other alternative policies included in the agency's MTW plan related to income and rent calculations and continues to retain full authority to implement other alternative policies, as allowed by HUD and MPHA's MTW plan.

8.1.3 Rent Notification Letters

Any time a rent change action is completed, MPHA will notify the participant and property owner by mail and, when possible, email by providing a rent notification letter. The participant will receive a rent notification letter and a summary report stating how the voucher size was determined, which income and adjustments were used in the HAP calculation, and how the final rent portions were calculated. It is the participant's responsibility to review the rent calculation documents to ensure that the family composition and income used for the rent calculation are accurate.

8.1.4 MPHA Subsidy for Mixed Families

A mixed family is one that includes at least one U.S. citizen or eligible noncitizen and any number of ineligible noncitizens. Effective with unit transfers and new issuances processed on or after March 16, 2026, and annual recertifications effective May 1, 2026, MPHA will prorate assistance for mixed families per standard HUD policies.

8.2 Zero HAP

When a family completes an annual reexamination or reports a change in income or household composition that results in the family's calculated annual income exceeding the maximum income limit for the applicable voucher or unit size, MPHA will reduce the family's Housing Assistance Payment (HAP) to zero. The family will be responsible for paying the full amount of the contract rent directly to the landlord.

Families receiving zero HAP will remain on the Housing Choice Voucher (HCV) program for six months from the effective date of the reduction to zero HAP. When a family's HAP is reduced to zero, MPHA will issue a Zero HAP Notification Letter to both the landlord and the family. The notice will include the effective date of the reduction to zero HAP and the termination date of the HAP contract.

If the change in a family's income and/or composition would have resulted in zero HAP at an earlier date but the action was not processed timely due to the family's failure to report changes or delays in providing required information, the six-month zero HAP period may be considered to have already begun. In such cases, the family may only be permitted to remain on the program through the end of the next calendar month.

8.2.1 Reinstatement of Housing Assistance

If, during the six-month period, the family reports a change in income or family composition that results in the family being eligible for any amount of HAP again, MPHA will process the change and reinstate HAP.

If a family reports an income or family composition change during the fifth month of the zero HAP period, MPHA may request additional documentation from the family to verify the circumstances related to the income change. Based on the documentation provided, MPHA will determine whether the family qualifies for continued assistance. This determination will be made in accordance with MPHA policy and within MPHA's administrative discretion.

If, by the end of the six-month zero HAP period, the family has not reported a change in income or family composition that results in eligibility for a HAP payment, MPHA will terminate the family's assistance effective on the termination date stated in the zero HAP Notification Letter.

8.2.2 Zero HAP for PBV Households

Project-Based Voucher (PBV) households that are no longer eligible to receive HAP will receive the same 6-month period of zero HAP prior to program termination. After program termination, the household will be required to vacate the assisted unit within sixty (60) days of the effective date of subsidy termination. At its sole discretion, MPHA may allow for a longer period of time for the household to vacate the unit based on special or extenuating circumstances.

Failure to vacate the unit within the required timeframe may result in enforcement action consistent with the terms of the lease and applicable program rules.

8.3 Minimum Rent

Effective with unit transfers and new issuances processed on or after March 16, 2026 and annual recertifications effective 5/1/2026, the minimum rents for HCV programs are as follows:

- All tenant-based programs: \$50
- MPHA-owned/managed project-based vouchers: \$75
- All other project-based programs: \$0

MPHA may periodically revise the minimum rent.

Families may pay less than the minimum tenant rent if the family pays for some or all of their own utilities, and the Utility Allowance Payment (UAP) brings the tenant rent portion below the \$50 minimum.

8.3.1 Minimum Rent Hardship Request

When the minimum rent is greater than zero, MPHA may grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of a qualifying financial hardship circumstance. If a family's Total Tenant Payment (TTP) is higher than the minimum rent, the family is not eligible for a hardship request. When the minimum rent is suspended, the family share reverts to the TTP.

If a family requests a financial hardship exemption, MPHA will suspend the minimum rent requirement during the time the request is being reviewed, beginning with the month following the family's request for a hardship exemption through the month in which MPHA determines whether to approve or deny the request.

8.3.2 Qualifying Financial Hardship Circumstances

Qualifying financial hardships include the following situations:

- The family or a family member has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- The family would be evicted because it is unable to pay the minimum rent.
 - For a family to qualify under this provision, the cause of the potential eviction must be the family's inability to pay rent to the owner or tenant-paid utilities.
- Family income has decreased because of changed family circumstances, including the involuntary loss of employment.
- A death has occurred in the family.
 - In order to qualify under this provision, a family must provide documentation of how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

8.3.3 Determination of Hardship

To qualify for a hardship exemption, a family must submit a request including documentation for a hardship exemption in writing, including supporting documentation. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

MPHA will determine whether the financial hardship exists and whether the hardship is temporary or long-term. MPHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

8.3.4 No Financial Hardship

If MPHA determines there is no qualifying financial hardship, MPHA will reinstate the minimum rent and require the family to repay the amounts previously suspended within thirty (30) calendar days of MPHA's notice that a hardship exemption has not been granted.

8.3.5 Temporary Hardship

If MPHA determines that a qualifying financial hardship is temporary, MPHA will suspend the minimum rent for the ninety (90)-day period beginning the first day of the month following the date of the family's request for a hardship exemption.

At the end of the ninety (90)-day suspension period, if MPHA has not determined that the hardship is now considered long term, the family must resume payment of the minimum rent and must repay MPHA the amounts suspended. MPHA may enter into a repayment agreement in accordance with established procedures.

8.3.6 Long-Term Hardship

If MPHA determines that the financial hardship is long-term, MPHA will exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first day of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

The hardship period ends when any of the following circumstances apply:

- At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent;
- For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60 per month child support payment, the hardship will continue to exist until the family receives at least \$60 per month in income from another source or once again begins to receive the child support; and
- For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

8.4 Utility Allowance Deductions

MPHA will issue all utility reimbursements on a monthly basis. When the MPHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits MPHA to pay the reimbursement to the family via check or debit card.

MPHA's established utility allowance schedule is used in determining family share and MPHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using MPHA subsidy standards, whichever is smaller.

If a family leaves the program with an outstanding credit for a utility reimbursement, MPHA will reconcile the credit in accordance with HUD requirements and MPHA administrative policy with the family prior to the expiration of the lease. Reconciliation should take place when the HAP contract terminates.

8.4.1 Determination and Revision of Utility Allowances

MPHA may periodically revise the subsidy tables to adjust for current utility costs. Revisions to the subsidy tables may be effective on an MPHA-determined effective date or at the family's next regular reexamination. MPHA will make this determination at the time the tables are revised.

D - VOUCHER ISSUANCE & BRIEFING

9.0 Voucher Administration

When an eligible family is selected from the waiting list or when a family participating in a tenant-based assistance program wants to move to another unit, MPHA issues a Housing Choice Voucher (Form HUD-52646). A voucher will be issued to a participant family after eligibility for a move is confirmed and the family has viewed the mandatory briefing, if applicable.

The voucher is the document that authorizes the family to begin their search for a unit and limits the amount of time the family has to successfully locate an acceptable unit. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program.

The voucher is evidence that MPHA has determined the family to be eligible for the program, and that MPHA expects to have money available to subsidize the family if the family finds an approvable unit. However, MPHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in MPHA's housing choice voucher program. The family becomes a participant in the program when the HAP contract between MPHA and the owner takes effect.

MPHA will establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of the voucher term. See the section on Voucher Term and Extensions.

Although households in project-based programs such as Project-Based Voucher properties, Sponsor Based units, Moderate Rehabilitation (MOD), and Single Room Occupancy (SRO) programs are not issued individual vouchers, many policies outlined in this section are relevant to project-based program participants.

9.1 Occupancy Standards and Voucher Size Determination

In order to maximize agency resources while also avoiding overcrowding and its associated problems, MPHA will establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. These policies will be used to determine the unit size, also known as the voucher size, a particular family will receive, and the policies that govern making exceptions to those standards.

MPHA will determine, according to MPHA's subsidy standards, the appropriate number of bedrooms for each family applying to or participating in an HCV program. In project-based assistance programs, MPHA staff will use the unit size determination to determine which size unit(s) a household is eligible for. In tenant-based assistance programs, MPHA staff will determine the correct unit size for a family and enter that information on the family's voucher at issuance. In tenant-based programs, the unit size listed on the voucher does not dictate the size of the unit the family must actually lease. In neither tenant-based nor project-based programs do the unit size determine who within a household will share a bedroom/sleeping room.

9.1.1 Determining Family Voucher Size

Unit/voucher size will be calculated based on the following standards:

- At voucher issuance in tenant-based programs, no more than two (2) people will be expected to share a bedroom;
- At program admission in project-based programs, households may be approved for a unit with a number of bedrooms that would require more than two (2) people to share a bedroom or require people to sleep in a space that is not a bedroom. See the chart below for household sizes permitted in each unit size;
- The Head of Household and their spouse/partner, if applicable, will be granted one bedroom;
- A same or opposite sex couple that is married, has an interdependent relationship or domestic partnership will be allocated one bedroom;
- A Live-in Aide, as approved by MPHA, will be allocated one bedroom; and
- All other household members will be assigned bedrooms based on a standard of two (2) persons per bedroom.

After initial bedroom assignments, each additional two (2) household members will be allocated one (1) additional bedroom. If one (1) household member remains after pairing, that individual will be allocated a separate bedroom; and if a new admission voucher is issued to a one-person household and head of household is currently pregnant, a two-bedroom voucher will be issued. Voucher size is determined by the criteria above and must comply with the minimum and maximum number of people permitted to reside in each unit in the chart below. The voucher issued will not exceed the number of bedrooms calculated using the above criteria. In project-based assistance programs, MPHA will not approve a referral for a household to move into a project-based unit that is larger than necessary to meet the household's needs.

Minimum and Maximum Persons Allowed in Each Unit Size:

Voucher/Unit Sizes at Voucher Issuance/Program Admission

Note: These numbers assume no Live-in-Aid.

Voucher/ Unit Size	Minimum Household Size	Maximum Household Size
1	1	4
2	2	4
3	4	6
4	6	8
5	8	10
6	9	12

Minimum and Maximum Household Sizes Permitted in Each Unit Size

These amounts reflect the number of people that will be allowed to live in a physical unit before they are considered over- or under-housed.

Unit Size	Minimum Household Size (refers to voucher size)	Maximum Household Size (refers to unit size)
0	1	2
1	1	4
2	2	6
3	3	8
4	5	10
5	8	12
6	10	14

The following rules, requirements, and prohibitions also apply when MPHA determines family voucher size:

- The subsidy standards will provide for the smallest number of bedrooms needed to house a family without overcrowding;
- The subsidy standards will be consistent with space requirements under the Housing Quality Standards;
- The subsidy standards will be applied consistently for all families of like size and composition;
- Space may be provided for a family member who is away at school, but who lives with the family during school recesses;
- Adding an approved live-in-aide will only increase the voucher size by one bedroom;
- Foster children and foster adults are not used to determine voucher size. In other words, foster children and foster adults will not be granted bedrooms or change the unit size for a participating family; and
- A child who is temporarily away from home because of placement in foster care is considered a member of the family in determining the family unit size, except as explained in the section Absences Due to Placement in Foster Care.

9.1.2 Exceptions to Subsidy Standards

In determining family unit size for a particular family, MPHA may grant an exception to its established subsidy standards through a request for a Reasonable Accommodation submitted by a family.

Reasons for such exceptions may include, but are not limited to:

- A need for an additional bedroom for medical equipment. MPHA may grant a reasonable accommodation for an increase in voucher size due to the need for medical equipment. MPHA may request regular verification of a family's continued need for an additional bedroom due to special medical equipment; and

- A need for a separate bedroom for reasons related to a family member's disability, medical, or health condition

The family must request any exception to the subsidy standards in writing through the standard Reasonable Accommodation process. The request must explain the need or justification for a larger family unit size and must include appropriate documentation. Requests based on health-related reasons must be verified by a doctor, a medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

MPHA will notify the family of its determination within thirty (30) calendar days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal review.

9.1.3 Children in Joint Custody Agreements

Children specified in joint custody agreements will be considered family members if the agreement specifies that they live with the parent for 51% or more of the time (at least 183 days per year). MPHA will require verification of the custody agreement which may include school records and/or court orders.

When more than one applicant or client family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, MPHA will make the determination based on available documents, such as court orders, government, or school documents.

9.1.4 Changes in Family Voucher Size Due to Household Composition Change

Irrespective of any increase or decrease in the payment standard, if the composition of a family receiving tenant-based assistance changes during the HAP contract term in such a manner that the family becomes eligible for a different voucher size, the new voucher size will take effect at the family's first regular reexamination or unit transfer following the change in family composition.

Whether an individual household member's absence from the unit necessitates a change in voucher size is determined by whether the absence is considered temporary or permanent. Policies related to temporary and permanent absences of household members, including the head of household, students, and other specific circumstances (e.g., medical confinement, foster care, and military service), are set forth in Section 7.9 of these Operating Procedures.

9.1.5 Changes in Family Voucher Size Due to Dual Subsidy

At the discretion of management, voucher size may change immediately in cases where it has been determined that a dual subsidy is being paid for any family member and the removal of that family member will result in a voucher size decrease.

Although foster children and foster adults are not used to determine voucher size, MPHA will not approve the addition of a foster child or foster adult if it would exceed the maximum occupancy standards of the unit.

Payment standards used in project-based assistance programs are determined by the physical unit size that a family is residing in, not on the composition of the specific household. As such, changes in household composition for families receiving project-based assistance will not change the payment standard available to the family while they remain in the unit. However, changes in the household composition for families receiving project-based assistance that result in the family being over-or under-housed in their unit will be grounds for MPHA requiring the household to relocate in accordance with 24 CFR 983.260.

9.2 Voucher Briefing Process

When a family is determined to be eligible for the Housing Choice Voucher (HCV) program they will go through a briefing process prior to the voucher being issued. The briefing process is designed to educate the family on all program requirements, procedures, and family obligations. The briefing process consists of three steps:

- Notification;
- Application; and
- A Family Briefing Video.

Once this process has been completed MPHA will issue the family a voucher. Any family that requests individual assistance with this process will be referred to an appropriate MPHA staff member for accommodation.

9.2.1 Notification

Once a family has been selected from the waitlist, they will be sent an email with the information needed to set up an applicant account in the participant portal, and a deadline to submit everything that is required.

9.2.2 Family Briefing Video

Applicants/Participants can watch briefings online from anywhere with a computer or smart device. The online briefing will be offered in English and Somali. For limited English proficient applicants, MPHA will provide translation services in accordance with MPHA's Limited English Proficiency Plan in the Statement of Corporate Policies.

Applicants/Participants who fail to watch the video briefing within the stated deadline, without an MPHA approved accommodation, will be denied assistance.

The Family Briefing Video will cover the following information:

- An Overview of the Housing Choice Voucher Program, and how it works;
- How MPH administers the program;
- Roles and Responsibilities of Participants, Property Owners/Managers, and MPHA;
- The rules, known as Family Obligations, that all participants must follow;
- How a family's rent portion is calculated;

- How to search for housing and submit the required paperwork;
- The unit selection, approval, and inspection processes;
- Reasonable Accommodations;
- An overview of the portability process; and
- General Contact Information for MPHA.

9.3 Voucher Term and Extensions

9.3.1 Initial Voucher Term

The majority of MPHA's vouchers are initially issued for a maximum term of ninety (90) calendar days. Vouchers under the Mainstream, Family Unification Program, Foster Youth to Independence, federal Emergency Housing Voucher, Minneapolis Emergency Housing Voucher, Veterans Affairs Supportive Housing, and Stable Homes Stable Schools programs are initially issued for a maximum term of one hundred and twenty (120) calendar days. The applicant/participant must submit a valid Request for Tenancy Approval (RTA) within the initial term of the voucher period, unless MPHA grants an extension.

9.3.2 Extensions of Voucher Terms

Extensions to the initial voucher search limit may be granted if requested by the family prior to the expiration of the initial voucher term.

All families except those participating in the Mainstream, Family Unification Program, Foster Youth to Independence, federal Emergency Housing Voucher, Minneapolis Emergency Housing Voucher, Veterans Affairs Supportive Housing, and Stable Homes Stable Schools programs are held to the following policies and standards regarding voucher extensions:

- Extensions must be requested in writing before 11:59 p.m. CST on the current voucher expiration date;
- Extensions will be granted in thirty (30)-day increments; and
- A total of one (1) thirty (30)-day extension will be granted at the participant's request.

Families participating in Mainstream, Family Unification Program, Foster Youth to Independence, federal Emergency Housing Voucher, Minneapolis Emergency Housing Voucher, and Veterans Affairs Supportive Housing programs are held to the following policies and standards regarding voucher extensions:

- Extensions must be requested verbally or in writing before 11:59 p.m. CST on the current voucher expiration date. Leaving a voicemail does not constitute a verbal request;
- Extensions will be granted in ninety (90)-day increments; and
- One (1) ninety (90)-day extension will be granted at the participant's request.

Families participating in Stable Homes Stable Schools are held to the following policies and standards regarding voucher extensions:

- Extensions must be requested in writing before 11:59 p.m. CST on the current voucher expiration date;
- Extensions will be granted in thirty (30)-day increments; and
- A total of two (2) thirty (30)-day extensions will be granted at the participant's request.

Additional extensions to the term of the voucher may be granted on a case-by-case basis as a reasonable accommodation to make the program accessible to and usable by persons with disabilities and other reasonable requests related to an MPHA special or strategic initiative. Any request for an additional extension must include the reason(s) why an additional extension is necessary. MPHA will require the family to provide documentation to support the request and obtain verification from a qualified third party.

The following is a list of extenuating circumstances that MPHA may consider in deciding whether to grant an additional extension. The presence of these circumstances does not guarantee that an extension will be granted.

- Serious illness or death in the family;
- Another family emergency;
- Obstacles due to employment;
- Whether the family has already submitted Requests for Tenancy Approval (RTA) that were not approved by MPHA; or
- Whether the family size or other special circumstances make it difficult to find a suitable unit, such as VAWA protections or participation in the VASH or Designated Vouchers for the Disabled Program.

MPHA will decide whether to approve or deny an extension request and provide them with family a copy of the voucher with the extended date or a written notice of the denial of the extension request. MPHA's decision to deny a request for an extension of the voucher term is not subject to grievance procedures.

MPHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted.

9.4 Suspensions of Voucher Term

Upon MPHA's receipt of a Request for Tenancy Approval (RTA), the term of any initial or extended voucher will be tolled—i.e., the voucher search period is paused—effective as of the date the RTA is submitted. The voucher term will resume on the date MPHA issues written notice to the family approving or denying the RTA.

9.5 Expiration of Voucher Term

If the family does not submit an RTA for an appropriate unit before the voucher expires, the family will no longer be eligible for assistance. If the family still wishes to receive assistance, MPHA may require that the family reapply during the next opening of the waiting list. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired.

Upon expiration of the voucher term or any extension, MPHA will notify the family in writing, to the address or email on file, that the voucher term has expired and that the family must reapply during the next waiting list opening in order to be placed on the waiting list.

9.6 Transfer of Voucher to Another Household Member Following Death or Extended Absence

In the event the Head of Household passes away and there are remaining adult members in the household, a remaining adult member may become the new Head of Household under the qualifying circumstances listed in the paragraph of this section titled “Permanently Absent Head of Household (HOH Transfer).”

9.7 Voucher Issuance After Insufficient Funding

If MPHA determines that there is a shortage of funding, prior to terminating any HAP contract, MPHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures, there is insufficient funding available to provide continued assistance after a voucher has been issued, MPHA may rescind the voucher and place the affected family back on the waiting list. Prior to terminating any HAP contracts, MPHA will inform the local HUD field office.

For families within the same voucher category who were previously terminated or who had vouchers recalled due to insufficient funding, vouchers will be issued to those terminated or with vouchers recalled first. In these cases, vouchers will be issued as follows:

- Families who requested moves that were denied due to insufficient funding;
- Families with special purpose vouchers (NEDs, FUP, VASH) that were previously terminated or who had vouchers recalled due to insufficient funding;
- Once MPHA resumes issuing vouchers after a funding shortfall, if MPHA is not assisting the required number of NEDs, VASH, and FUP vouchers, MPHA will issue vouchers to special purpose voucher categories of families on its waiting list until the MPHA is assisting its required number of special purpose vouchers.

E - CONTINUED PARTICIPATION

10.0 Re-Certification

10.1 Recertification Cycles

HUD requires MPHA to complete recertifications for current participants of the HCV program. Recertifications are completed in two cycles (annual or triennial) depending on a family's income source(s) and composition. Recertifications will generally be effective on the 1 of the month that contains the anniversary of the HAP or Tenancy Addendum execution date. For example, if the HAP execution date is March 15, the family's annual recertification will be effective on March 1 for as long as the family's tenancy remains governed by that HAP contract.

10.1.1 Annual Recertifications

Families composed of one or more non-disabled adults with earned income are required to complete a recertification to assess eligibility for continued participation every year.

10.1.2 Triennial Recertifications

Families composed of all disabled or elderly (62 years of age or older) adults who only receive income from fixed and/or unearned income sources (such as Social Security, SSI, Pension) will be recertified for continued participation on a triennial cycle. Child support and Minnesota Family Investment Program (MFIP) income do not qualify as fixed and/or unearned income for the purposes of MPHA's recertification policies.

If a non-disabled or non-elderly adult is added to the household, if a dependent turns 18 and does not meet the fixed/unearned income criteria, or if a family member begins receiving earned income, the family will be required to start recertifying on an annual basis.

Households on a triennial recertification cycle must still report changes in income in accordance with regular income change reporting policies.

Changes in family composition and/or income may trigger the need for an interim recertification. After the interim is processed, MPHA staff will determine whether the family still qualifies for triennial status.

Income reported from the most recent full recertification will be used for rent calculations between cycles for triennial families. In years where triennial households do not complete full recertifications, MPHA Staff will update the households HAP and tenant portions to reflect the current payment standards.

10.2 Recertification Method

All HCV participants are required to complete their recertification in MPHA's tenant portal, RentCafe. During a household's first annual recertification, they will be provided with instructions for registering for the portal and accessing the recertification workflow.

10.3 Recertification Process

10.3.1 Initial Notice

MPHA will notify households by mail and email, if possible, that their recertification must be completed. The notice will provide a deadline by which the family must supply the necessary information.

10.3.2 Technical Process

Once all documents have been received, MPHA staff will:

- Review the EIV (Enterprise Income Verification) to verify all sources of income have been accurately reported by the household;
- Update contact information and verify household composition. Households identified as under-housed or over-housed during the recertification process must have this finding documented in their file and be notified of any requirements to move or have their voucher size adjusted;
- Verify that any family member who will be Eighteen (18) years old as of the effective date of the annual recertification date has signed the recertification packet, Declaration of 214 Status form, Debts Owed to Public Housing Agencies Form (HUD-52675), and has provided a government issued photo ID;
- If there is a Contract Rent Increase (CRI) to be effective on the same date as the annual recertification, verify receipt of a signed lease renewal or rent increase notice and run rent reasonableness using an MPHA-designated system;
- Verify all mandatory documents are in the file;
- Verify voucher size, unit size, and utility responsibility are correct.
- Perform income calculations and update participant record;
- Verify utility allowance calculation is correct; and
- Generate rent notification letters to participant and property manager upon completion of the process.

10.3.3 Participant's Responsibility

The tenant must review the Rent Calculation Summary Form and rent notification letter for correctness. If there is an error in family composition or income it is the tenant's responsibility to contact MPHA to correct the error. Failure to report inaccuracies that result in rent overpayment to MPHA may result in the family entering into a repayment agreement to repay the Housing Assistance Payment overpayment to MPHA.

10.3.4 Non-Disclosure (ND) Process

If a family does not return all required documents by the deadline indicated in the recertification letter, MPHA staff will send a Non-Disclosure (ND) letter requesting the documentation/information be submitted by an extended deadline.

If the family submits all required documentation by the deadline stated in the ND letter, MPHA will process the annual recertification accordingly. If the participant fails to return all required documentation by the due date indicated on the Non-Disclosure (ND) notice, MPHA will begin the termination process. See the next section for more information on the termination process.

If the household delays the completion of their recertification, MPHA is not required to provide a thirty (30)-day notice for any increased tenant portion. Additionally, any overpayment of HAP that occurred because of the family's delay in submitting their recertification must be repaid to MPHA by the family.

10.3.5 Termination Process

If a participant fails to submit their recertification and all required documentation by the deadline on the ND letter, MPHA staff will document the case file, send a program termination letter to the family, and send a Termination of Housing Assistance Payments (HAP) letter to the property owner.

If the participant fails to request a hearing by the deadline state in the termination letter or to provide their completed recertification before the termination date, MPHA staff will proceed with the termination from the program on the effective date stated in the letter.

11.0 Moves and Unit Transfers

11.1 Unit Transfer

Participants who wish to move must notify MPHA by submitting a written mutual notice to vacate. The vacate notice must be signed by both the landlord and the participant and must clearly state the agreed upon move out date, including the month, day, and year. MPHA's Standard Notice to Vacate Agreement form can be used, but other vacate notice verifications are acceptable, such as:

- An email from both the landlord and participant that includes the agreed upon vacate date;
- A written statement from the landlord that indicates a specific vacate date; or
- An in-house vacate notice form from the landlord that indicates a specific vacate date.

Landlords who want to terminate the lease of a participant must provide a sixty (60)-day notice to vacate to the participant and MPHA. If the landlord files for eviction, the landlord must notify MPHA in writing before the court date or the date of eviction. Landlords must submit the notification and supporting documents via the MPHA owner email or fax.

Participants must provide a proper notice to vacate as outlined in their lease agreement. It is strongly recommended that participants provide MPHA at least sixty (60)-day notice of the vacate.

11.1.1 Vacate Notice Processing

Upon receipt of the vacate notice, MPHA staff will review the vacate notice to ensure it meets all requirements for approval. If it does not, MPHA staff will notify both parties in writing that the notice is denied. If it does, MPHA will cease Housing Assistance Payments (HAP) on the mutually agreed upon vacate date and MPHA staff will complete the following steps:

- Ensure a copy of the mutual vacate notice is added to the participant's record;
- Notify the landlord in writing, confirming the mutually agreed vacate date and corresponding final day of housing assistance. A copy of the notification will be documented in the participant's record and owner's portal;
- Update the participant's record to ensure housing assistance payments are scheduled to end after the last day of housing assistance;
- Create and send a letter and packet to the participant, confirming approval of the move and providing instructions for the next steps in the process. This includes the participant providing required documentation to MPHA. A copy of the letter and packet will be documented in the participant's record;
- Once all required documentation is received and any mandatory briefing videos have been viewed, MPHA staff will issue a voucher and moving packet to the participant. The packet will include the voucher, a Request for Tenancy Approval (RTA) packet, an Estimated Rent Table form, and Voucher Extension Request form; and
- MPHA staff will provide the participant instructions for next steps, including instructions to return a copy of their signed voucher and completed Request for Tenancy Approval (RTA) packet.

MPHA staff will monitor for return of the signed voucher and completed Request for Tenancy Approval packet.

11.1.2 Participant Moving Process

All participants who are moving for any reason are required to complete the following steps before MPHA can provide housing assistance in a new unit:

- Complete the voucher issuance process;
- Submit a completed Request for Tenancy Approval (RTA) for approval and inspection scheduling;
- Have a unit that passed a Housing Quality Standards (HQS) move-in inspection; and
- No longer be receiving housing assistance from MPHA in another unit.

Briefing videos that provide additional information about MPHA, and the moving process are available online in English and Somali. For Limited English Proficient (LEP) applicants, MPHA will provide translation services in accordance with MPHA's Limited English Proficient (LEP) Plan in Appendix C.

The online briefing is optional for families who are transferring between units within the City of Minneapolis. Participants may watch briefings online from anywhere with a computer or smart device.

Participants who choose to move within six (6) months of their last annual recertification do not need to complete a new MPHA application for their unit transfer voucher issuance. Participants

may need to provide current income verification for all adults. The income verifications cannot be older than ninety (90) days from the date of the voucher issuance.

Additionally, participants may need to provide additional verifications and mandatory documents, such as verification of full-time student status, citizenship declarations, Form HUD 9886-A, Form HUD-52675, and other required forms.

11.1.3 Acceptance of Request of Tenancy Approval (RTA)

Upon acceptance of an RTA, the landlord and participant will be emailed an RTA Approval Letter to notify both parties that the rental unit has been approved for an MPHA move-in inspection. The notice will also remind the participant to report any changes in income or family size that may have occurred during their housing search time.

If a participant's income or voucher size has decreased and the rental unit is no longer affordable, the RTA will be denied, inspection cancelled, and a new rent burden worksheet will be calculated and provided to the participant to search for a new rental unit.

MPHA will not begin housing assistance payments on a rental unit until the four steps have been completed and the participant has possession of the unit.

11.2 Elective Moves

Participants can elect to terminate their lease and use their voucher to move to a new unit.

Participants who elect to move must follow the proper notice to vacate guidelines, or MPHA may deny the request to move. Participants are not allowed to move out of a unit in which they have received less than twelve (12) months of housing assistance, unless MPHA has approved the move due to an emergency or reasonable accommodation.

MPHA will terminate the Housing Assistance Payments (HAP) contract and housing assistance payments on the move out date agreed upon by the participant and landlord. The participant will be allowed to hold over in their unit for one (1) additional month past the vacate date if they have trouble locating a new unit.

If they remain in the unit beyond the additional month without rescinding or amending their vacate notice or signing a new lease, MPHA will cease HAP payments on the unit, and the participant will be responsible for the full rent amount. Landlords can deny the rescinding of the vacate if they have already located a new tenant for the unit.

If the participant is not able to provide a mutual vacate notice, the participant may provide proof that they have contacted their landlord and informed them of their intent to vacate in compliance with the terms of their lease.

Participants must complete the steps for the move out and Request for Tenancy Approval (RTA) process before MPHA can begin housing assistance in the rental unit.

11.3 Mandatory Moves

Participants may be required to move involuntarily due to actions of the landlord, MPHA, or the Minneapolis of City Officials. There are several common reasons a participant would be forced into a mandatory move, which may include:

- A landlord terminates the lease agreement and provides a proper notice to vacate;
- A landlord evicts the participant from the unit;
- The property is foreclosed on and the landlord loses possession;
- The City terminates the landlord's rental license or condemns the property for city code violations;
- MPHA terminates the Housing Assistance Payments (HAP) contract with the landlord for Housing Quality Standards (HQS) violations;
- The family is under-housed or over-housed in the unit (i.e., family size is too small or too large for the bedroom size of the unit); or
- An event or natural disaster causes extensive damage, rendering the unit uninhabitable.

Participants who remain in a unit with a terminated HAP contract or revoked rental license will be responsible for the full contract rent amount.

11.3.1 Mandatory Moves When A Family is Underhoused

If a family is under-housed, MPHA staff will take the following steps:

- MPHA staff will call the landlord to verify the current lease term;
- MPHA staff will discuss the need for the family to move with the landlord and family;
- For families in project-based programs, staff will identify one appropriately-sized unit within the PBV portfolio to which the household can be referred. The household will be notified of the deadline by which they must apply for the alternate unit before being terminated from the PBV program;
- For families with a tenant-based voucher, staff will provide a ninety (90)-day notice to the landlord;
- MPHA staff will send a Termination of HAP letter to the landlord, notifying the landlord of the assistance end date;
- MPHA staff will call the family to notify them of the reason for the mandatory move.
- MPHA staff will notify the participant family of the ninety (90)-day notice to vacate; and
- For families with tenant-based vouchers, MPHA staff will send the participant family a briefing packet, voucher, Request for Tenancy Approval (RTA), and Estimated Rent Portion so the family may begin their housing search immediately.

MPHA will review a written request to extend the vacate date by thirty (30) days if the family is unable to locate a unit and the landlord is in agreement. Participants must complete the move out and RTA process before MPHA will begin paying housing assistance for a new unit.

11.3.2 Mandatory Moves When a Unit is Terminated Due to HQS Violations

If MPHA determines that a unit does not meet the HQS space standards households with tenant-based assistance will be issued a new voucher and the family must find an acceptable unit as soon as possible.

For project-based voucher households, MPHA will instead offer a continued housing assistance option for the family in order to remain eligible for participation. If the family rejects the continued assistance option offered, the family will be terminated from the program.

11.4 Outbound Portability

Portability refers to the process through which a family can transfer or "port" their tenant-based voucher when they move to a location outside the jurisdiction of the public housing agency (PHA) that first gave them the voucher when they were selected for the program, or outside of the jurisdiction of the public housing agency that is currently administering their voucher.

Generally, participants in the HCV program are eligible to move under portability as long as the move complies with the PHA's policies on family moves.

If a participant wishes to move outside of MPHA's jurisdiction, a process referred to as porting out, they must submit a written portability request to MPHA requesting their file be sent to the housing authority that serves the jurisdiction to which they wish to move.

Participants who wish to port to one of the other nine (9) Twin Cities Metro Area housing authorities must first locate a rental unit and submit a completed Request for Tenancy Approval (RTA) form. RTAs is not required for participants moving outside the Twin Cities Metro Area.

11.4.1 Port-Out Requirements

The following steps are required before a participant's file can be ported to another housing authority:

- The participant provides MPHA with a valid mutual vacate notice and a completed Portability Request Form with the name and contact information for the housing authority to which they wish to port;
- MPHA staff verifies the receiving PHA listed on the Portability Request form is the correct housing authority; and
- MPHA staff reviews "Port-Out Checklist" to ensure all required documentation has been collected. This includes but is not limited to:
 - Completed Portability Request form listing correct receiving housing authority and its contact information. In lieu of MPHA's Portability Request form, MPHA will accept a written request that clearly identifies the housing authority to which the participant wishes to port;

- A HUD-50058 report reflecting all current income and household members;
 - The 50058 reports must include date of admission to program (Item 2h), date entered waiting list (Item 4a), and ZIP code prior to admission (Item 4b)
- Current citizenship declaration documentation for all household members listed on the HUD-50058 and signed by all adult household members. Include copies of SAVE reports for any non-citizen household members;
- Current EIV report are;
 - If any household members listed on the HUD-50058 report are not indicated as verified on the EIV report, a copy of Social Security number verification must be included in the port-out file
- Verification of all current household income, no older than ninety (90) days from the voucher issuance date;
 - Income should not be self-declared
- Other required verifications, including verification of full-time student status, disability, and other factors;
- If applicable, supporting documentation for added minor children (copy of Social Security card(s) Birth Certificate(s), court-awarded custody verification, etc.); and
- An executed voucher, signed by both MPHA staff and the participant, that has not expired.

11.4.2 Additional Requirements for Twin Cities Metro Area Ports

For participants wishing to port to one of the other nine (9) Twin Cities Metro Area Housing Authority:

- If the participant wishes to port to one of the nine (9) other housing authorities in the Twin Cities Metro Area, they must provide a completed Request for Tenancy Approval (RTA) for the rental unit. The rental unit indicated must meet affordability requirements based on the policies of the receiving housing authority;
- A completed Request for Tenancy Approval (RTA) signed by landlord and participant; and
- MPHA will review the RTA to ensure the unit meets affordability requirements based on the receiving housing authority's policies, the household income, and the household composition.

11.4.3 Timelines and Tracking

All moves and processing timelines are subject to the receiving housing authority's policies and procedures. Some housing authorities restrict housing assistance start dates to certain days of the month and require receipt of a file and completed RTA by no later than the 15th of the month to be eligible for assistance by the 1st day of the following month.

Generally, a port file undergoes two distinct review processes to ensure eligibility and accuracy before it is sent to a receiving housing authority. MPHA will include all required documents per HUD guidelines, including HUD-52665 and HUD-50058.

Once a participant is ported to another agency, the participant will be notified, and their file will be documented to record the port out.

Portability status and changes are tracked via HUD-52665 activity, file memos, and copies of documentation in the participant's record.

11.5 Inbound Portability

Inbound portability refers to the process by which an eligible voucher holder, currently assisted by another public housing authority (PHA), moves to and receives assistance within the jurisdiction of MPHA. MPHA will accept inbound portable families in accordance with HUD regulations, subject to program funding and administrative capacity. MPHA may deny acceptance only for reasons permitted by federal regulation.

All inbound portability applicants must meet the same eligibility criteria applied to local applicants under MPHA's general eligibility rules. While MPHA is administering the voucher, MPHA's rules, policies, and procedures apply to the voucher and participant.

Generally, MPHA will follow the processes and procedures outlined below to facilitate inbound portability requests.

11.5.1 Required Documentation Review

Port files must be sent via email to porttompha@mplspha.org. Files will not be accepted by fax or mail. MPHA staff will ensure the file received from the initial housing authority (IHA) includes all required documentation and will request any missing items as needed. The required documentation includes:

- HUD-52665;
- Signed, unexpired voucher;
- Most recent HUD-50058 generated by the IHA;
 - If participant is transitioning from a Project-Based Voucher (PBV) unit to a tenant-based voucher, MPHA will accept the most recent HUD-50058 from the PBV program
 - If the initial housing authority has not created a HUD-50058 for the family, they should submit the most recent application or recertification packet
- A current EIV report; and
- Income verification.

A current Declaration of D-214 Status or comparable citizenship declaration documentation. If the IHA utilizes the Systematic Alien Verification for Entitlements (SAVE) system, MPHA will request copies of the SAVE reports generated for the family. Current EIV and D-214/SAVE documentation

are not required under federal regulations. MPHA will make every attempt to receive this information but cannot refuse a file that does not include the required files listed. Any additional documentation collected from the initial housing authority or participant will be retained with the file.

11.5.2 Income Calculations for Inbound Ports

Port-in families will receive the same deductions and allowances that MPHA affords to its own voucher holders.

11.5.3 Issuing Vouchers

Inbound ports must view the briefing video and complete the application paperwork provided to the family within 10 business days from the date the information was sent. Failure to watch the briefing and/or complete the required application may result in the port being returned to the IHA.

For inbound ports, the voucher is issued by MPHA using the same dates as the voucher issued by the IHA. All adult household members must provide the proper verifications for new applicants, as stated in the Verifications section of the Operating Procedures.

MPHA may develop policies to streamline admission for inbound ports coming from other “local” housing authorities. MPHA’s designation of another housing authority as “local” is done at the discretion of MPHA. Not all housing authorities in the 7-county metro region are considered “local.” Inbound ports from “local” IHAs whose files are sent with a Request for Tenancy Approval (RTA), will have the income used to determine affordability by the IHA used as the income for lease-up with MPHA. Affordability must meet MPHA’s rent burden policy to be approved. Any changes in income for newly admitted local inbound ports will become effective the month following the lease up month.

Inbound ports from non-local housing authorities may be required to submit additional income documentation to MPHA prior to voucher issuance.

11.5.4 Voucher Extensions

All inbound ports automatically receive a 30-day extension, per HUD regulations. Additional extensions must to be requested from the IHA so that the receiving housing authority billing deadline is also extended.

11.5.5 Returning Port-In Files to the Sending Housing Authority

A port-in file will be returned to the initial housing authority under the following circumstances:

- The voucher expires. When returning a file for an expired voucher, staff must complete Form HUD-52665, Part II, and check Box #1. This form must be included with the returned packet or email;
- A Request for Tenancy Approval (RTA) is not submitted prior to the voucher expiration date;
- The requested unit does not pass the move-in inspection;
- The participant would not receive HAP at the requested unit or is determined to be over income; or

- The participant requests that the file be returned to the sending housing authority.

Reference documents may be found in the [HUD Portability Final Rule](#).

11.5.6 Inbound Portability Billing

The completed Family Portability Information (HUD-52665) and Family Report (HUD-50058) created for the initial lease-up of the family will be sent to the IHA by the established billing deadline.

11.6 Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, MPHA will not make any housing assistance payments (HAP) to the landlord for any month following the date the family moves out.

MPHA will only make housing assistance payments beyond an approved vacate date when MPHA approves a family to remain in their current unit for up to one (1) additional month while in the process of searching for a new unit. Such approval must be documented in the participant's file and is subject to MPHA's discretion and applicable program requirements.

11.6.1 Housing Assistance Payment (HAP) Discrepancy Review Limitation

The purpose of this policy is to establish a consistent administrative standard for reviewing and resolving Housing Assistance Payment (HAP) discrepancies requested by property owners participating in the Housing Choice Voucher (HCV) Program.

MPHA administers the HCV Program in accordance with federal regulations and agency policy and must maintain program integrity while ensuring timely and accurate subsidy payments.

11.6.2 Regulatory Authority

MPHA administers HAP contracts under the authority of 24 CFR Part 982, which requires the PHA to make housing assistance payments in accordance with the HAP contract and to administer the program in compliance with HUD requirements.

Federal regulation does not prescribe a mandatory timeframe for reviewing historical payment discrepancies; therefore, MPHA establishes this administrative standard pursuant to its authority to manage program operations and ensure efficient administration of the HCV Program. MPHA will review landlord requests for HAP payment discrepancies for a period not to exceed one (1) calendar year from the date the possible discrepancy occurred.

Requests involving payments older than one year will not be reviewed or adjusted unless required by:

- A documented MPHA error identified through internal quality control processes, or
- A legal or HUD-directed corrective action.

This limitation is established to:

- Ensure timely identification and correction of payment issues;
- Maintain accurate financial reconciliation within HUD funding cycles;

- Align with MPHA quality control practices requiring regular review of rent and subsidy calculations; and
- Prevent administrative burden associated with reconstructing aged files where documentation retention, ownership changes, or tenant movement may limit verification.

MPHA conducts ongoing quality control reviews to monitor rent calculations, income determinations, and executed HAP contracts to ensure accuracy in subsidy payments.

11.6.3 Owner Responsibilities

Property owners are responsible for:

- Reviewing monthly HAP statements for accuracy;
- Promptly notifying MPHA of suspected discrepancies; and
- Maintaining records necessary to support review requests.

Owners must submit discrepancy requests in writing with supporting documentation sufficient for MPHA to evaluate the claim.

11.6.4 MPHA Review Process

Upon receipt of a timely request (within one year):

- MPHA will review payment records, contract data, and supporting documentation;
- If an error is confirmed, MPHA will reconcile the balance through payment adjustment or recoupment, consistent with HAP contract administration procedures; and
- If insufficient documentation exists to verify the claim, MPHA may deny the adjustment.

11.6.5 Exceptions

MPHA may, at its sole discretion, review cases older than one year when:

- The discrepancy resulted from a clearly documented MPHA administrative error, or
- HUD, audit, or legal action requires retroactive correction.

Approval of such exceptions must be authorized by HCV Program Management.

11.7 Processing Timeline for Unit Transfers and Lease Ups

11.7.1 Requesting the Signed Lease

Once a unit has passed inspection, MPHA will request a lease from the property owner, signed by both the participant and the property owner. The HAP contract cannot be generated without the lease. Once MPHA receives the lease, a HAP contract can be generated.

The HAP contract must be signed by MPHA staff and the property manager or owner. HAP payments will remain on hold until a signed HAP contract is received from the property manager or owner.

11.7.2 Submission of The Signed Lease, HAP Contract and Other Owner Documents

Property owners and managers will submit all leases, HAP Contracts and all other owner documentation via the MPHA Owner email owners@mphaonline.org or in person.

Documents submitted by owners and managers will be logged and date-stamped in Smartsheet to create a second digital record. MPHA staffs will be notified upon receipt.

Leases will be reviewed by MPHA staff to make sure the terms of the lease are not different from the submitted RTA. MPHA may require an amendment to the lease if the date differs from that of the RTA.

Changes to the terms stated in the RTA must be approved by MPHA. If the changes in lease terms render the unit unaffordable, rent unreasonable, or in violation of MPHA policies or state or local law, the lease will be denied, and the tenant will be required to search for a new unit.

11.7.3 Completed Lease-Ups

Completed Lease-ups will be saved in the participant's file, with a second record in Smartsheet.

If the family selected a unit that had month(s) free rent, MPHA staff will process as normal but not pay the 1st month HAP. Documentation of this incentive needs to be part of the lease, or a notice provided by property owners.

If the incentive is a reduced amount over the twelve (12) months of the lease, MPHA staff will determine rent reasonableness based on the full contract rent amount.

The HAP contract will show the full rent amount, and an addendum to the HAP contract will be created. Rent Notifications will be completed with the decreased rent amount. MPHA may require an amendment to the contract rent signed to clearly state the agreed upon monthly rent.

A family may have a co-signer, provided proof of residency for the co-signer is supplied.

F – COMPLIANCE

12.0 PROGRAM PARTICIPATION COMPLIANCE

12.1 Preventing Errors and Program Abuse for Program Participants and Property Owners

MPHA anticipates that families, owners, and PHA employees will comply with program requirements and make reasonable efforts to avoid errors and adhere to MPHA and HUD policies and procedures.

To ensure that the PHA's HCV program is administered effectively and according to the highest ethical and legal standards, MPHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The PHA will share program compliance and integrity policies during the voucher briefing process. MPHA will place a warning statement about the penalties for fraud as described in the False Statement Act (Title 18 U.S.C. §1001 and §1010), on key MPHA forms and form letters that request information from a family or owner.

MPHA staff will be required to explain the contents of all HUD- and PHA-required forms upon request.

MPHA will provide each MPHA employee with the necessary training on program rules and the organization's standards of conduct and ethics, including fraud prevention and reporting requirements.

For purposes of this chapter, the term "error" refers to an unintentional mistake or omission. "Program abuse" or "fraud" refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

12.1.1 When the PHA Will Investigate

MPHA will review all referrals, specific allegations, complaints, and tips of fraud or program abuse from any source, including other agencies, companies, and individuals, to determine whether they warrant investigation. In order for MPHA to initiate an investigation, the allegation must contain at least one independently verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The PHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

12.1.2 Prohibited Participant and Applicant Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. §1001].

- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

12.1.3 Evidence of Family Program Abuse

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized by the PHA for rent, security deposit, and additional services;
- Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives;
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf;
- Use of a false name or the use of falsified, forged, or altered documents;
- Intentional misreporting of family information or circumstances (e.g., income, family composition);
- Omitted facts that the PHA reasonably believes were known by a family member (e.g., unreported sources of income); and
- Admission of program abuse by an adult family member.

The PHA may determine that other actions constitute program abuse based upon a preponderance of the evidence, as defined in this chapter.

12.1.4 Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. §1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including, but not limited to, the actions listed below.

12.1.5 Evidence of Owner Program Abuse

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the PHA;
- Charging a security deposit other than as specified in the family's lease that was provided by and approved by MPHA;
- Charging the family for services that are provided to unassisted tenants at no extra charge;
- Accepting housing assistance payments for any day(s) after the owner became aware that family vacated the unit;
- Knowingly accepting incorrect or excess housing assistance payments;

- Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives;
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA; and
- Residing in the unit with an assisted family.

12.1.6 Consent to Release of Information [24 CFR 982.516]

MPHA may investigate possible instances of error or abuse using all available MPHA and publicly available records. If necessary, MPHA will require HCV families to provide written consent to the release of additional information.

12.1.7 Analysis and Findings

MPHA will base its evaluation on a preponderance of the evidence collected during its investigation.

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

For each investigation MPHA will determine:

- Whether an error or program abuse has occurred;
- Whether any amount of money is owed to MPHA; and
- What corrective measures or penalties will be assessed.

12.2 Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether MPHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

In the case of family-caused errors or program abuse, MPHA may take into consideration:

- The seriousness of the offense and the extent of participation or culpability of individual family members;
- Any special circumstances surrounding the case;
- Any mitigating circumstances related to the disability of a family member; and
- The effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the PHA may take into consideration:

- The seriousness of the offense;

- The length of time since the violation has occurred; and
- The effects of a particular remedy on family members who were not involved in the offense.

MPHA will inform the relevant party in writing of its findings and remedies at the conclusion of the investigation. The notice will include:

- A description of the error or program abuse;
- The basis on which the PHA determined the error or program abuses;
- The remedies to be employed; and
- The family's right to appeal the results through the informal review or hearing process.

12.3 Penalties for Program Abuse

12.3.1 Participants and Applicants

In the case of program abuse caused by a family, the PHA may, at its discretion, impose any of the following remedies:

- MPHA may require the family to repay excess subsidy amounts paid by the PHA, as described in Section 13.1;
- MPHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit;
- MPHA may deny or terminate the family's assistance following the policies set forth in the MPHA Operating Procedures; and
- MPHA may refer the family for state or federal criminal prosecution.

12.3.2 Property Owners

When the PHA determines that the owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, in accordance with the MPHA Operating Procedures;
- Terminate the HAP contract;
- Bar the owner from future participation in any MPHA programs; and
- Refer the case to state or federal officials for criminal prosecution.

13.0 Termination of Housing Assistance & Repayment Agreements

Under the federal regulations, certain actions or inactions by the family require mandatory termination of assistance, while other actions or inactions permit termination or disqualification from the program. Termination of assistance for a participant may include any or all of the following: refusing to enter into a HAP contract or approve a lease, terminating housing assistance

payments under an outstanding HAP contract, and refusing to process or provide assistance under portability procedures. The applicable grounds for termination are listed in Appendix B.

Note that residents residing in MPHA's Community Housing Resources (CHR) properties who are terminated from the PBV program will have their lease terminated at the same time their PBV program participation is terminated.

13.1 Consideration of the Circumstances

In determining whether to terminate assistance because of action or failure to act by the family (non-mandatory terminations), MPHA may consider all relevant circumstances, including:

- The seriousness of the case;
- The extent of participation or culpability of individual family members;
- Mitigating circumstances related to the disability of a family member; and
- The effects of denial or termination of assistance on other family members who were not involved in the action or failure. This may include, as a condition of continued assistance, a requirement that other family members who participated in or were culpable for the action or failure will not reside in the unit.

In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the PHA may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully. MPHA may require a participant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

13.2 Repayment Agreements

Repayment agreements will be made between MPHA and program participants when MPHA has determined that income or a change in family composition was not reported in a timely manner, was unreported or underreported by a participant, resulting in an overpayment of HAP dollars. Families that fail to repay the overpaid HAP amount or violate other portions of the repayment agreement will be moved for termination from the program.

After MPHA staff has determined the repayment amount from EIV and/or other documentation provided, they will schedule a non-disclosure appointment with the participant. If the amount owed is less than \$5,000, the non-disclosure can be discussed over the phone, virtually or in-person. If the amount owed is more than \$5,000, the non-disclosure must be in person and include an additional MPHA staff person who is approved by their supervisor. If the participant leaves the program and has not paid the repayment in full, MPHA will send the debt to revenue recapture.

13.2.1 Determining if Income is Unreported

- The family's EIV will be reviewed annually to compare what has been reported and what is currently in the family file with the EIV;
- The family's file and past actions will be reviewed to determine whether income is missing, or does not match the EIV report;
- The start/hire date (if available in EIV or other documents), the YTD wage amount and pay period dates on newly reported income verifications will be reviewed to ensure the ten (10) day reporting policy has been met;
- All income changes should be reported within ten (10) days of the hire date. Pay stubs or a hire letter are required forms of income verification; and
- The family composition in the family file and past actions will be reviewed as well to ensure newly reported family changes should not have impacted the HAP amount or voucher size at an earlier date.

If MPHA staff have determined that a family has not reported income or a family composition change, the next step is for MPHA staff to use the information collected to calculate the repayment.

If MPHA staff do not have enough information to know the extent of the unreported information or calculate past income a non-disclosure letter will be sent to the family to provide missing documentation. MPHA staff can also request third-party verification from employers, landlords, and other government agencies as well as up to three years of tax returns. Families that fail to submit requested information by the date provided in the letter will be sent a termination letter.

13.2.2 Calculating the Repayment Agreement

MPHA Staff will determine when the unreported income or change should have been reported and the effective date of the HAP change that should have occurred. MPHA will look back as far as three years in a tenant file for unreported income or changes.

If the period of unreported income or change extends over different re-certification periods the repayment will use the correct subsidy table or payment standard for the period being reviewed.

Unreported income period extends from 2024 annual – post 2025 annual, both the 2023 and 2024 and potentially 2025 subsidy tables will be used.

- The income that was not reported will be annualized using the information that is able to be collected (Paystubs, benefit letters, EIV, etc.);
 - If the EIV is the only verification available, the quarters available on the EIV will be used to get a quarterly average of income, or if a full year has passed; sum the 4 available quarters together to calculate an annual amount
 - If pay stubs or other 3rd party verification is provided, the traditional method for annualizing income will be used

- All deductions including the WFI, if applicable, will be applied while recalculating the income for the repayment
- The family's file and past actions will be reviewed to see if income is missing, not correctly entered and matches the EIV report;
- After annualizing the unreported income, it is added to all other income that was reported in the household during the repayment period being reviewed;
- After the adjusted income for the family is calculated, it is used to determine the HAP amount that should have been paid for each month from the time the income should have been reported to the present date;
- If interims were completed in the time frame under review, those changes will be accounted for while calculating the HAP overpayment for each month;
 - Four months after the start date of the repayment period the participant's child stopped receiving SSI. Subtract the SSI from the adjusted income and adjust the HAP for the repayment on the effective month of the interim removing the SSI
- The total over payment is calculated by comparing the new corrected HAP amount to the HAP that was actually paid. The difference between the two HAP amounts is the amount overpaid by MPHA for the month. Sum the overpayment totals to calculate the total amount owed by the participant to MPHA. The "Repayment Agreement" Excel spreadsheet will be used to calculate the total repayment and as documentation for the family file.
 - $\text{HAP paid } \$746.00 \text{ Nov.} - \text{Corrected HAP } \$633.00 \text{ Nov.} = \$746.00 - \$633.00 = (\$113.00 \text{ owed in Nov. for over paid HAP})$ Nov. is the starting month of the repayment because it is the month the unreported change would have taken effect if reported correctly; and
 - Change in Subsidy Table Year (2023-2025).

MPHA staff will have their repayment calculations reviewed by supervisor for approval before scheduling the family for a nondisclosure to discuss the repayment.

13.2.3 Repayment Time Frames and Limits

MPHA will go back a maximum of three years and collect repayment if there is unreported income. If unreported income exceeds the three-year maximum the supervisor will be notified, and they will use their discretion to decide if further action is necessary. For example:

- The current year is 2025, and MPHA staff member discovers unreported income for the 2022 annual, MPHA would not pursue a repayment, but will notify the supervisor.

There is no minimum amount of money owed for which MPHA would choose not to pursue a repayment agreement. If unreported income is discovered in any amount for any length of time, the supervisor will be notified.

The starting month of a repayment is the effective month of the rent change that would have applied if the unreported income had been reported correctly.

13.2.4 Entering a Repayment Agreement

MPHA staff will schedule a non-disclosure appointment with the participant and supervisor. The HCV staff will complete the repayment agreement write-up using the “Repayment Agreement” Word template and organize the evidence supporting the repayment.

The repayment agreement shall state:

- The section in the Plan, or Section 8 information packet that the participant violated;
- The monthly retroactive payment is in addition to the family’s regular rent contribution and is payable to MPHA;
- That a late or missed payment is a default of the agreement and may result in termination of rental assistance;
- That all payments shall be at least \$50 and be rounded to the nearest dollar; and
- The last payment shall reflect the remaining balance on the agreement.

During the non-disclosure appointment, the participant will have the opportunity to explain the unreported change or income to the supervisor. The participant has three days to provide documentation and dispute the findings of MPHA. If the participant provides documentation that contradicts the findings of MPHA, a supervisor will review the documentation and then determine if MPHA will enter into a repayment agreement or move to terminate the participant’s assistance.

The participant will either sign the agreement, or a termination letter will be mailed to the participant. If the repayment amount is under \$5,000.00 and the supervisor determines there are no other reasons to move for termination, MPHA will enter an agreement for a repayment period of 24 months or less, at a minimum of \$50.00 per month.

At the non-disclosure meeting – if balance owed is below \$5,000, repayment agreement should be signed. If a family fails to sign the repayment agreement a termination letter will be sent within three business days. The family has three days to dispute the balance owed, if they do not provide documentation, the debt is valid. If documentation is provided MPHA will review the documents, if any changes are needed a revised repayment agreement will be sent for signature and must be returned within three business days. If not returned, the termination date will stand.

13.2.5 Balance Owed over \$5,000

At the non-disclosure meeting, if the balance owed is over \$5,000, we will let the family know we will be sending a termination letter.

- They have a right to a hearing;
- If they pay off the balance prior to the termination date, we will continue program participation;

- If they pay down the balance to \$5,000 or below prior to the termination date and sign the repayment agreement, we will continue program participation;
- They have three business days to dispute the amount and provide documentation to support the dispute; and
- After three business days, the debt is valid.

Term letters should be sent within three business days of the non-disclosure meeting.

Families that have a second violation of family obligations that requires a repayment agreement will be sent a termination letter.

Instances of unreported income over \$5,000.00 will be reported to OIG for possible investigation, and if a future issue of unreported income occurs, we will move for termination.

If a second violation occurs that requires a repayment agreement, the manager will review and assess the file to determine whether the voucher should be terminated.

13.2.6 During the Repayment Agreement

Once the agreement is signed by both the MPHA staff and participant, the agreement is scanned into the tenant's file and a copy is emailed to Quality and Technical Specialists (Q&T) and Finance. Q&T staff will create the repayment agreement in the Voyager record.

Finance will send out monthly repayment notices to the participant. Payments are sent by mail to finance, cash payments are not accepted. Payments are entered onto the participant's record.

Finance tracks the payments and if the participant misses three consecutive payments, Q&T is notified. Once Q&T is notified of a default on the repayment agreement, a final "Past Due Notice" is sent to the participant.

Q&T collects all payments and forwards them to Finance until the debt is paid in full. WFI may be reinstated without a 30-day notice, if applicable.

The MPHA staff will need to complete an interim to recalculate the Family's HAP amount with the reinstated WFI exclusion, if applicable.

13.2.7 Termination of Repayment Agreement

If the monthly past due notice is not paid within ten business days, a termination letter may be mailed for defaulting on the repayment agreement. The termination letter should be sent via email and regular mail, and certified mail.

The participant has ten (10) business days to respond to the termination letter and to request a hearing. The Participant can pay off the debt or the amount that is in arrears to cancel the termination process.

If the participant does not request a hearing or make a payment within the stated time frame, a 30-day "Termination of HAP" notice will be mailed to the property owner.

If the participant is terminated for violating the repayment agreement, Finance is notified of the termination and will request that the terminated participant be placed onto Revenue Recapture to collect the debt. The participant will be mailed a “Revenue Recapture Notice Letter” to notify them that MPHA will be pursuing debt collection.

13.3 Criminal Prosecution

When MPHA determines that program abuse by an owner, family, or PHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, MPHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

13.4 Cancellation of Proposed Termination

Should all outstanding items warranting the termination be resolved prior to the proposed termination date, the termination will be canceled, and participants and property owners will be notified.

13.5 Proposed Termination Process

Participants may be provided with one Non-Disclosure Notice. This notice may be issued for an in-person meeting to discuss family obligation violations or to request mandatory documents. If the participant does not attend this meeting or otherwise resolve the issues by returning requested paperwork, MPHA may move to termination.

The family may request to reschedule an in-person meeting one (1) time, but it must be requested prior to the original meeting date/time. MPHA may, at its sole discretion, allow an additional rescheduling of this meeting.

14.0 Informal Review, Informal Hearing and File Review

14.1 Informal Review Process

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” and need not be as elaborate as the informal hearing requirements.

A request for an informal review must be made in writing and delivered to MPHA in person, by first class mail, fax, or email, by the close of the business day, no later than ten (10) business days from the date of MPHA’s denial of assistance.

The informal review must be conducted by a supervisor other than the individual who made or approved the decision under review.

In rendering a decision, MPHA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the notice to the family;
- The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned;
- The validity of the evidence. MPHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, MPHA will uphold the decision to deny assistance; and
- If the facts prove the grounds for denial, and the denial is discretionary, MPHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

If the decision to deny assistance is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand, and the family will be so notified.

14.2 Informal Hearing Process

MPHA offers an informal hearing for certain MPHA determinations relating to the individual circumstances of a participant family. The purpose of the informal hearing is to consider whether MPHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations, and MPHA policies.

MPHA will not terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease;
- Terminating housing assistance payments under an outstanding HAP contract; and
- Refusing to process or provide assistance under portability procedures.

14.2.1 Circumstances for Which MPHA Provides an Informal Hearing

Circumstances for which MPHA provides a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment;
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from MPHA's utility allowance schedule;
- A determination of the family unit size under MPHA's subsidy standards;

- A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under MPHA's subsidy standards;
- MPHA determination to deny the family's request for an exception from the standards;
- A determination to terminate assistance for a participant family because of the family's actions or failure to act;
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under MPHA policy and HUD rules;
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account;
- A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking;
- A determination to deny portability; and
- A determination to deny a reasonable accommodation request.

14.2.2 Circumstances for Which an Informal Hearing Is Not Required

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by MPHA;
- General policy issues or class grievances;
- Establishment of MPHA's schedule of utility allowances for families in the program;
- An MPHA determination not to approve an extension or suspension of a voucher term;
- An MPHA determination not to approve a unit or tenancy;
- An MPHA determination that a unit selected by the applicant is not in compliance with the HQS;
- An MPHA determination that the unit is not in accordance with HQS because of family size; and
- A determination by MPHA to exercise or not to exercise any right or remedy against an owner under a HAP contract.

14.2.3 Requesting an Informal Hearing

A request for an informal hearing must be made in writing and delivered to MPHA in person, by first class mail, by fax or by email, by the close of the business day, no later than ten (10) business days from the date of MPHA's decision or notice to terminate assistance.

MPHA will schedule and send written notice of the informal hearing to the family within twenty (20) business days of the family's request.

14.2.4 Rescheduling an Informal Hearing

The family may request to reschedule a hearing one (1) time for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, MPHA may request documentation of the “good cause” prior to rescheduling the hearing.

If the family does not appear at the scheduled time and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact MPHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. MPHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

14.2.5 Pre-Hearing Right to Discovery

Participants and MPHA are permitted pre-hearing discovery rights. The family will be given the opportunity to examine, before the hearing, any MPHA documents that are directly relevant to the hearing. The family will be allowed to copy any such documents at their own expense. If MPHA does not make the document available for examination upon request of the family, MPHA may not rely on the document at the hearing.

For the purpose of informal hearings, documents include records and regulations.

The participant will be allowed to copy any documents related to the hearing at a cost of \$0.25 per page. The participant must request discovery of MPHA documents no later than seventy-two (72) hours prior to the scheduled hearing date. MPHA must be given an opportunity to examine, at the MPHA offices before the hearing, any family documents that are directly relevant to the hearing and make copies at its own expense.

The participant must provide HCV with any documentation that will be brought to the Hearing, or it will not be allowed to be used at the Hearing. The documentation must be provided to the HCV offices no less than three (3) business days prior to the hearing.

The participant must provide HCV with the names, addresses, and relationship of any person who will be attending the hearing on their behalf prior to the hearing, or they will not be allowed to attend the hearing. The names, addresses, and relationships of attendees must be provided to the HCV offices no less than three (3) business days prior to the hearing.

14.2.6 Participant’s Right to Bring Counsel

At its own expense, the participant may be represented by a lawyer or other representative at the informal hearing. However, as previously stated policy, the participant must provide the name, addresses, and relationships of any person who will be attending the hearing with them no less than three (3) business days in advance of the hearing.

14.2.7 Informal Hearing Officer

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision. MPHA has designated the following to serve as hearing officers:

- MPHA Hearing Officers, and
- Conflict Resolution Center Hearing Officers

14.2.8 Attendance at the Informal Hearing

Hearings may be attended by a hearing officer and the following applicable persons:

- A PHA representative and any witnesses for the PHA;
- The participant and any witnesses for the participant; and
- The participant's counsel or other representative.

MPHA will comply with its Limited English Proficiency (LEP), Reasonable Accommodation, and VAWA policies. See Appendixes B, C, and D.

14.2.9 Conduct at Hearings

The hearing officer is responsible for managing the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Participation of attendees will be restricted to providing statements of facts only. Either party may make a record of the proceedings at that party's own expense;

- The participant or MPHA will make any record available to the other party for that party's purchase, and
- Neither party is required to create or provide a written transcript of the hearing record.

14.2.10 Evidence

MPHA and the participant are given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

14.2.11 Oral Evidence

Oral Evidence refers to information, statements, or testimony presented verbally by a witness in a legal, administrative, or investigatory setting. It is delivered in person, under oath or affirmation, and is recorded or transcribed as part of the official proceedings. Oral evidence allows the witness to describe facts, events, or observations, and may be subject to cross-examination or questioning to test accuracy, credibility, and reliability.

14.2.12 Documentary Evidence

Documentary Evidence refers to any evidence presented in the form of documents, records, or written materials to support facts. This can include letters, contracts, emails, reports, invoices, photographs, or official records.

14.2.13 Demonstrative Evidence

Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

14.2.14 Hearsay Evidence

This is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either MPHA or the participant fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

14.2.15 Hearing Officer's Decision

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

In rendering a decision, the hearing officer will consider the following matters:

- PHA Notice to the Family: The hearing officer will determine if the reasons for MPHA's decision are factually stated in the Notice;
- Discovery: The hearing officer will determine if MPHA and the participant were given the opportunity to examine any relevant documents in accordance with MPHA policy;
- MPHA Evidence to Support MPHA's Decision: The evidence consists of the facts presented. Evidence is not conclusions or arguments. The hearing officer will evaluate the facts to determine if they support MPHA's conclusion; and
- Validity of Grounds for Termination of Assistance, when applicable: The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and MPHA policies. If the grounds for termination are not specified in the regulations or in compliance with MPHA policies, then the decision of MPHA will be overturned.

The hearing officer will issue a written decision to MPHA no later than ten (10) business days after the hearing. A copy of the hearing decision must be furnished or mailed to the participant by MPHA within ten (10) business days of receipt from the hearing officer.

14.2.16 Procedures for Rehearing or Further Hearing

MPHA will not consider rehearing or further hearing.

14.2.17 PHA Notice of Final Decision

MPHA is not bound by the decision of the hearing officer for matters in which:

- MPHA is not required to provide an opportunity for a hearing;
- Decisions that exceed the authority of the hearing officer;
- Decisions that conflict with or contradict HUD regulations or requirements; or
- The decision is otherwise contrary to Federal, State or local laws.

If MPHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, MPHA must notify the participant of the determination and the reason for the determination within ten (10) business days.

MPHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. The participant will be mailed the original "Notice of Final Decision." A copy of the "Notice of Final Decision" along with the original proof of mailing will be maintained in MPHA's files.

G – ELIGIBILITY & SERVICES FOR DISABLED PERSONS And victims of domestic violence

15.0 Definitions Related to Program Eligibility for Disabled Persons

15.0.1 Disabled Family

A disabled family is one in which the head, spouse, or domestic partner is a person with a disability. MPHA will make all aspects of the HCV program accessible to persons with disabilities and will consider reasonable accommodations requested based upon a person's disability.

A Person with A Disability Is One Who:

- Has a physical or mental impairment that substantially, or under the Minnesota Human Rights Act and Minneapolis ordinances, materially limits one or more major life activities;
- Has a record of such an impairment; or
- Is regarded as having such an impairment.

Specifically excluded from the definition of a disability under the Americans with Disabilities Act are:

- Sexual behavior disorders such as transvestitism, pedophilia, exhibitionism, and voyeurism;
- Compulsive gambling, kleptomania, or pyromania; and
- Homosexuality, bisexuality, gender identity disorders, and transgender status or conduct.

Under the Americans with Disabilities Act, the disability must be current and substantially limit one or more major life activities, which includes caring for oneself, doing manual tasks, walking, seeing, sleeping, hearing, speaking, breathing, learning, or working. Under certain circumstances, physical conditions such as high blood pressure and poor vision, which are corrected by medication or another measure, are not considered disabilities.

Under 24 C.F.R. § 100.201 (a)(2), a disability does not include addiction caused by the current illegal use of a controlled substance.

15.0.2 A Qualified Person with A Disability

One who meets the essential eligibility requirements and who can achieve the purpose of the program or activity with or without reasonable accommodation or modification.

15.0.3 Major Life Activity

Includes but is not limited to caring for one's self, doing manual tasks, walking, seeing, sleeping, hearing, speaking, breathing, learning, and working.

15.0.4 Mental and Physical Disabilities

A mental impairment may include but is not limited to, intellectual disability, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

A physical impairment may include impairment of the following body systems: neurological; musculoskeletal; senses; respiratory; cardiovascular; reproductive, digestive, genitourinary; hemic and lymphatic; skin; and endocrine.

A mental or physical impairment may include but is not limited to cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, and intellectual disability.

15.1 Acceptable Disability Verification Methods

MPHA will verify the existence of a disability in order to allow certain income disallowances and deductions from income. MPHA will use HUD's definition of disability in 24 CFR 5.403, as may be amended, to verify a disability for these purposes. MPHA will not inquire about the nature or extent of a person's disability in order to determine eligibility for relevant income disallowances and deductions.

Third-party verification will be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability. An individual receiving SSI will be considered disabled and no further verification is required.

If a person's disability is obvious or otherwise known to MPHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

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

MPHA will not assume that a person has a disability but in some instances, MPHA may request certain information about a participant's disability if the participant requests a reasonable accommodation and the disability or need for accommodation is not readily apparent. A participant is not required to talk about a disability, but MPHA retains the right to deny an accommodation because of the lack of information. MPHA must request only information that is necessary to evaluate a disability related need for an accommodation. Under no circumstances will MPHA request or retain a participant's medical records.

15.1.1 Permissible Inquiries

The above-cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy;

- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability;
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability;
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance; and
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance.

16.0 Reasonable Accommodations

16.0.1 Purpose

The purpose of this policy is to assist MPHA staff in providing reasonable accommodations to its applicants, public housing residents, Section 8/HCV participants, and other program recipients with a disability. It does not enlarge MPHA's duty under any law, regulation, or ordinance. Where in conflict, the applicable law, regulation, or ordinance shall prevail.

16.1 Mission Statement

MPHA's policy is to comply with the Rehabilitation Act, § 504 29 U.S.C. § 794, as implemented by 24 C.F.R. § 8, Americans with Disabilities Act, 42 U.S.C. § 2101 as implemented by 28 C.F.R. § 35 and 29 C.F.R. § 1630, Fair Housing Act, 42 U.S.C. § 3601 as implemented by 24 C.F.R. §100, Minnesota Human Rights Act, Minn. Stat. § 363 and Minneapolis Civil Rights Ordinance.

MPHA shall not discriminate or retaliate against an applicant, public housing resident, Section 8/HCV participant or other program recipient because of disability, race, color, creed, religion, national origin or ancestry, familial status, sex, sexual preference, veteran status, public assistance status, marital status, age, or political affiliation. MPHA shall not retaliate against a person who claims discrimination. MPHA shall not solely on the basis of a disability, deny benefits to an otherwise qualified person. MPHA shall give a qualified person with a disability through a reasonable accommodation an equal opportunity to participate in and benefit from its housing, aid, benefit, or service.

By means of a reasonable accommodation, MPHA shall give a qualified person with a disability housing, aid, benefit, or service that is equally effective as that provided to others without a disability. The term "equally effective" is not intended to produce an identical result or level of achievement as that of a person without a disability but is intended to give a person with a disability an equal opportunity to obtain the same result or level of achievement.

16.1.1 Conflict and Scope

This Policy does not enlarge MPHA's duty under any law, regulation, or ordinance. If this Policy conflicts with applicable law, regulation or ordinance, the applicable law, regulation, or ordinance shall prevail. This Policy shall apply to all MPHA programs designed to provide financial or

advisory assistance to persons seeking housing, including the Family Self Sufficiency Program and Housing Counseling Programs.

16.1.2 Full and Equal Access

MPHA strives to ensure that persons with disabilities have full and equal access to MPHA's programs and services. This responsibility begins with the first inquiry of an interested household and continues through every programmatic area of the HCV program.

A reasonable accommodation may include an exception to MPHA's rules, policies, procedures or services. While MPHA may accept the judgment of the person with the disability that an accommodation is needed, MPHA may require the person to show the need for an accommodation or to permit an inspection of the unit. Additionally, MPHA may investigate alternatives to the requested accommodation and/or alternative methods of providing the requested accommodation. MPHA will select an appropriate accommodation which is most convenient and cost effective for MPHA.

16.1.3 Need for a Reasonable Accommodation and Nexus Between the Disability and Accommodation

While MPHA may accept the judgment of the person with the disability that an accommodation is needed, MPHA may require the person to show the need for an accommodation or to permit an inspection of the unit. Also, MPHA may investigate alternatives to the requested accommodation and/or alternative methods of providing the requested accommodation. MPHA will select an appropriate accommodation which is most convenient and cost effective for MPHA.

The person with the disability has the burden to show that there is a connection between the disability and the accommodation and a connection between the disability and the lease violation. The person must also show that the accommodation is likely to enable the person to comply with the lease or the program and that the person will accept the necessary assistance.

However, MPHA cannot amend the program requiring the person to accept such services. MPHA may deny admission to the program if the rejection of the services results in conduct that violates the program. For example, MPHA may not terminate a participant's assistance for not taking a medication but may terminate for a program violation resulting from not taking the medication.

The requesting party, applicant, or Participant has the burden to show that the request is linked to the disability, is necessary to afford the person an equal opportunity to enjoy public housing and is possible to implement. Equal opportunity means that the program is equally accessible to disabled and non-disabled persons. For example, a reasonable accommodation is not intended to put a person first in line on any waiting list. Thus, three key elements are necessity, equal opportunity, and reasonableness.

A person with a disability is required to show documentation of the disability and the need for the accommodation. Without such documentation, MPHA need not offer an accommodation. MPHA will not approve a reasonable accommodation move when MPHA is terminating assistance for a reason unrelated to the disability.

MPHA may review all previously approved Reasonable Accommodations. The requesting party, applicant, or participant has the burden to show that the request is linked to the disability, is necessary to afford the person an equal opportunity to enjoy public housing and is possible to implement. Equal opportunity means that the program is equally accessible to disabled and non-disabled persons. For example, a reasonable accommodation is not intended to put a person first in line on any waiting list. Thus, three key elements are necessity, equal opportunity, and reasonableness.

16.1.4 Reasonable Accommodation for Participants in Project-Based Units

Residents in units with project-based voucher assistance may submit reasonable accommodation requests to MPHA for accommodations related to their subsidy. This includes, but is not limited to, early move-outs, the need for an additional room for a live-in aid or medical equipment, and modifications to Housing Quality Standards (HQS) compliance related to mental health. All reasonable accommodations not related to the subsidy should be submitted to the participant's property manager and/or owner.

16.1.5 A Disabled Person's Compliance with MPHA's Rules, Policies, or Procedures

A reasonable accommodation may include an exception to MPHA's rules, policies, and procedures. If an applicant or recipient can show that the failure to comply with a rule, policy, or procedure was due to a disability, MPHA may reinstate the person's status. This may include reinstating the person to a waiting list at the original position or setting aside termination or eviction procedures.

An exception to MPHA's rules, procedures and policies does not require a lowering or waiver of the essential requirements of a lease or program. If a participant refuses services or another reasonable accommodation, and the violating conduct continues, MPHA may take the same action as it would with a person without a disability.

16.1.6 Undue Hardship

MPHA has the burden of proof to show that the reasonable accommodation would result in an undue hardship. An undue hardship is a significant difficulty, expense, or an undue financial or administrative burden.

16.1.7 Essential Eligibility Requirement

Include but are not limited to stated eligibility requirements like income; compliance with selection criteria; timely payment of financial obligations; care of premises; no disqualifying criminal or drug activities; respect for the rights of others; explicit or implicit requirements inherent to the program or activity; and compliance with all obligations of occupancy with or without supportive services provided by persons other than MPHA. A person may request a reasonable accommodation to meet the essential eligibility requirements. For instance, a mentally ill person whose conduct even with a reasonable accommodation poses a significant risk of substantial interference with the health, safety or peaceful enjoyment of the premises, or would result in substantial physical damage to the property of others, may not be qualified for a project or program lacking the necessary supportive services.

16.1.8 Exclusions

A person with a disability may be excluded if the person is not “otherwise qualified” for housing or when a person’s tenancy with or without a reasonable accommodation would pose a direct threat to others or the person’s own health or safety or would result in substantial physical damage to the property of others.

16.2 Reasonable Accommodation Communication Methods

MPHA shall make reasonable accommodations to communicate with applicants, participants, other program recipients and members of the public. Reasonable accommodations may include using auxiliary aids such as interpreters for applicants, Braille materials, large print materials, audio tapes, note takers or telecommunication devices for deaf persons. MPHA is not required to provide devices that are of a personal nature or that are prescribed for personal use or study.

16.2.1 Applicants for Section 8/HCV Programs

During the application process, MPHA may ask all applicants the same appropriate questions. An applicant is not required to talk about a disability. However, MPHA may ask an applicant to verify a disability if the applicant asks for a reasonable accommodation. MPHA shall not assume that a person has a disability.

An applicant may refuse to explain negative information because it may reveal the existence, nature or severity of a disability. The applicant has the right not to discuss the disability. However, MPHA may have the right to deny admission because of a lack of information or negative information.

If an applicant requests a reasonable accommodation, the applicant has the burden to show that the accommodation is likely to enable the applicant to comply with the lease and that the applicant will accept necessary assistance. MPHA may make it a condition of an applicant’s admission to specific project-based communities, Veteran’s Administration Supportive Housing (VASH) and the Family Unification Program (FUP) where supportive services are inherent in the eligibility criteria, to accept supportive services.

With or without a reasonable accommodation, the applicant shall complete the application process, meet eligibility criteria, and shall comply with program requirements.

16.2.2 Process for Requesting a Reasonable Accommodation

- A participant/applicant or a participant/applicant’s representative should submit a request for a reasonable accommodation to their MPHA staff member, who will schedule the Informal Hearing with a Hearing Panel;
- MPHA will process the request and if necessary, investigate or obtain additional information within thirty (30) days after receipt of the request;
- MPHA will inform the applicant or participant of a decision, including approval, denial, or the need for ongoing investigation; and
- If MPHA denies the request, MPHA will offer an Informal Hearing in compliance with its Statement of Corporate Policies.

16.3 Live-In Aide

A live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or persons with a disability, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

MPHA will approve a live-in aide if needed as a reasonable accommodation, to make the program accessible to and usable by the family member with a disability. Live-in aides who are unauthorized occupants in the unit will not be considered household members.

Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not family members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

A family's request for a live-in aide must be made in writing; however, MPHA may assist a disabled family member with this request.

In addition, the family and live-in aide will be required to submit a certification form provided by MPHA, stating that the live-in aide is;

- Not obligated for the support of the person(s) needing the care;
- Would not be living in the unit except to provide the necessary supportive services;
- There is no other reason for the aide to reside in the unit (i.e., the individual can demonstrate they have a previous residence they left in good standing); and
- Qualified to provide services as a live-in aide.

MPHA may request proof of ability to provide necessary supportive services.

16.3.1 Applicable for Reasonable Accommodation

If approved as part of a reasonable accommodation, MPHA will only allow family members of live-in aides to reside in the unit if the addition of the live-in aide's family members (limited to one minor) does not result in an under-housed situation, as determined by MPHA's subsidy standards. For example, if a live-in aide has a daughter, the live-in aide's daughter may reside in the unit, provided the daughter shares the bedroom with her mother or another household member.

Other considerations include:

- Requiring approval of the live-in aide by the owner of the unit
- Ensuring that the need for and eligibility of a live-in aide is verified annually at recertification

16.3.2 Verifying the Need for A Live-In Aide

Written verification will be required from a reliable, knowledgeable medical professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly (at least 50 years of age), or disabled family member. MPHA may request additional documentation from the knowledgeable provider in order to determine the outcome of the request for a live-in aide.

MPHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

- Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Is subject to a lifetime registration requirement under a State Sex offender registration program;
- Committed drug-related criminal activity or violent criminal activity; or
- Currently owes rent or other amounts to MPHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

MPHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under MPHA's subsidy standards for an unidentified live-in aide.

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

16.4 Reasonable Accommodation Decisions

16.4.1 Informal Hearing

If MPHA denies a request for a reasonable accommodation MPHA will offer the person, the opportunity to request an Informal Hearing as provided in these policies.

16.4.2 Reasons to Deny an Accommodation

MPHA shall make a reasonable accommodation for a physical or mental impairment of a qualified applicant or recipient unless MPHA shows that:

- The accommodation would impose an undue financial and administrative burden;
- The accommodation will fundamentally change the nature of the program;
- The accommodation would pose a direct threat to others;
- The accommodation will create an unsafe condition;
- The accommodation would result in substantial physical damage to MPHA's property or the property of others;
- The person cannot meet the essential eligibility requirements;

- The request is not a request for a reasonable accommodation;
- There is a lack of documentation of the disability;
- The documentation of the disability lacks credibility or foundation;
- The accommodation has failed in the past, and the person cannot show new circumstances as to why the accommodation will likely work in the future;
- The request is based upon a personal preference;
- Request is made on behalf of an add on family member;
- In the case of extra bedrooms or space that the person is not using the space for the intended reasonable accommodation; or
- Other reasons as provided by law or regulation.

For instance, a reasonable accommodation is not a personal preference. A personal preference is the liking of something over another. In addition, a reasonable accommodation does not require MPHA to provide counseling, medical or social services that are outside the scope of services provided to other persons.

MPHA may also deny a request for a reasonable accommodation if the person does not show necessity, an equal opportunity and reasonableness or if the party does not permit MPHA to inspect the unit for purposes related to the reasonable accommodation request or denial.

16.4.3 Medical Equipment

Although MPHA may approve an additional bedroom for medical equipment if the need is documented by a healthcare provider, the actual equipment in the extra bedroom should be verified by MPHA during the annual inspection of the unit. If the extra bedroom is not being used for the intended purpose, MPHA will reduce the subsidy standard and corresponding payment standard at the family's next annual reexamination. MPHA may take further action, if it believes any family obligations under 24 C.F.R. § 982.551 were violated

16.4.4 Reasonable Accommodation for Additional Subsidy

Households may request a higher subsidy as a reasonable accommodation for an individual with a disability. When an accessible unit is needed for an individual with disabilities and the rent is reasonable, MPHA may increase the subsidy to a maximum of 120 percent of the Fair Market Rent (FMR).

16.5 Physical Accessibility Modifications

Where practicable, MPHA's buildings will be physically accessible and usable by disabled persons. With each physical alteration, a cost base analysis may be needed. Cost base factors include but are not limited to the type of accommodations, cost, the size of MPHA's overall housing business, number of units, type of units, budget, expenses and ability to recoup the cost.

Alterations in new construction shall comply with federal and state law and regulations. If a physical accommodation is unreasonable, MPHA may provide for program access at a different accessible location.

16.6 Housing Choice Voucher Program Accessibility

MPHA will make reasonable accommodations for qualified persons with disabilities to have access and use its programs. Except when necessary to maintain the fundamental nature of the program, MPHA will not use the eligibility criteria, which adversely impacts upon disabled persons.

When issuing a housing voucher to a family with a disabled person, MPHA shall include a current listing of available accessible units known to it. If necessary, MPHA will offer other assistance to the family in locating an available accessible dwelling unit. MPHA shall consider the special problems of a disabled person in locating accessible housing when considering requests for extensions of housing vouchers.

If necessary, MPHA shall request an exception to fair market rents to allow a Section 8 voucher holder to rent an accessible unit.

16.6.1 Nondiscrimination

MPHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including

- Title VI of the Civil Rights Act of 1964;
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988);
- Executive Order 11063;
- Section 504 of the Rehabilitation Act of 1973;
- The Age Discrimination Act of 1975;
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern);
- Violence Against Women Reauthorization Act of 2022 (VAWA); and
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the Federal Register February 3, 2012, and further clarified in Notice PIH 2014-20.

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

16.6.2 Local Laws and Ordinances

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

MPHA will comply with the following state and local Nondiscrimination Laws:

- Minneapolis Civil Rights Ordinance, and
- Minnesota Human Rights Act.

MPHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12]. MPHA will not use any of these factors described above to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program;
- Provide housing that is different from that provided to others;
- Subject anyone to segregation or disparate treatment;
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program;
- Treat a person differently in determining eligibility or other requirements for admission;
- Steer an applicant or participant toward or away from a particular area based any of these factors;
- Deny anyone access to the same level of services;
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- Discriminate in the provision of residential real estate transactions;
- Discriminate against someone because they are related to or associated with a member of a protected class; and
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

16.6.3 Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by MPHA or an owner, the family should advise MPHA. MPHA will make reasonable efforts to determine whether the applicant's or participant's assertions have merit and take corrective action. In addition, MPHA will provide the applicant or participant with information about how to file a discrimination complaint.

Upon receipt of a housing discrimination complaint, MPHA will:

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

MPHA will keep a record of all complaints based on actual or perceived sexual orientation, gender identity, or marital status, investigations, notices, and corrective actions. For policies regarding record keeping, see the section on Recordkeeping.

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

MPHA will conduct an investigation into all allegations of discrimination based on actual or perceived sexual orientation, gender identity, or marital status against the MPHA or an Owner to determine if a violation occurred and implement a corrective action(s) to remedy the discrimination.

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

16.6.4 Providing Information to Families and Owners

MPHA takes steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, MPHA provides information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

17.0 Applicants and Participants Experiencing Domestic Violence

The Violence against Women Act of 2022 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the Housing Choice Voucher (HCV) program.

If and when state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA. Information about VAWA policies and procedures can be found in the Statement of Corporate Policies.

17.1 Emergency Transfer Plan for Victim Survivors of Domestic Violence

This plan identifies participants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security.

This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the federal agency that oversees that the public housing and Housing Choice Voucher (HCV) programs are in compliance with VAWA.

17.1.1 Eligibility for Emergency Transfers

A participant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR Part 5, subpart L, is eligible for an emergency transfer if the participant reasonably believes that there is a threat of imminent harm from further violence if the participant remains within the same unit.

If the participant is a victim of sexual assault, the participant may also be eligible to transfer if the sexual assault occurred on the premises within ninety (90) calendar day period preceding a request for an emergency transfer.

A participant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan. To request an emergency transfer, the participant must use the VAWA Emergency Transfer Request Form (Form HUD-5383).

17.1.2 Emergency Transfer Timing and Availability

MPHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. However, MPHA will act as quickly as possible to move a participant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to unit availability and safety.

If a participant reasonably believes a proposed transfer would not be safe for reasons related to the VAWA request, they may request a transfer to a different unit. If the participant declines a unit for reasons not related to the VAWA request, the request will be closed, and another unit will not be offered.

MPHA may be unable to transfer a participant to a particular unit if the participant has not or cannot establish eligibility for that unit. If a household is denied for the unit identified by MPHA due to reasons outside of the control of MPHA (credit history, criminal history, etc.) MPHA is not required to identify another unit for the household.

If MPHA has no safe and available units for a participant who needs an emergency transfer, MPHA will assist the tenant in identifying other housing resources that can assist with locating safe and available units to which the participant could move. At the victim's request, the PHA will refer the victim to organizations that may be able to further assist the victim.

17.1.3 Tenant-Based Assistance

Participants in the tenant-based HCV program requests an emergency transfer as described in this plan, MPHA will assist to move the participant to a safe unit quickly using their existing voucher

assistance. MPHA may make exceptions to program regulations and standard procedures restricting moves as required.

17.1.4 Project-Based Assistance

Participants assisted under the project-based voucher (PBV) program may request an emergency transfer under the following programs, for which a new application to the PBV program would not be required. Participants may need to apply for residency with the building owner including:

- Project-based assistance in the same project (if a vacant unit is available, determined to be safe, and subject to the approval of the project owner);
- Project-based assistance in another development owned or subsidized by MPHA (if a vacant unit is available and subject to the approval of the property owner); and
- Public housing program unit at MPHA (if a vacant unit is available).

Upon approval, MPHA will first seek to move a participant within a vacant PBV unit in the same project or owner's portfolio, provided a safe and available unit exists, before looking to move the Participant to another PBV unit in another development or a public housing unit.

If no Project-Based units available, or if the PBV participant has lived in the unit for more than one year, MPHA may issue a tenant-based voucher if funding is available, and the participant is eligible for the tenant-based voucher program.

If there are no tenant-based vouchers available, the participant will be placed on the Housing Choice Voucher List and the Public Housing Waitlist.

17.1.5 Confidentiality

MPHA will maintain confidentiality any information that the participant submits in requesting an emergency transfer, and information about the emergency transfer, unless the participant gives MPHA written permission to release the information on a time-limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program.

This includes keeping confidential the new location of the dwelling unit of the participant, if one is provided, from the person or persons that committed an act of domestic violence, dating violence, sexual assault, or stalking against the participant.

See Form HUD-5380, the Notice of Occupancy Rights under the Violence against Women Act for All Tenants for more information about the PHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

17.1.6 Safety and Security of Participants

Pending processing and completion of the transfer, participant are urged to take all reasonable precautions to remain safe. MPHA provides protection from program termination for victims that vacate their assisted unit without approval from MPHA in order to avoid harm. See Appendix C of the Statement of Corporate Policies for more information on this protection.

Participants are encouraged to contact support resources for assistance:

- Domestic Violence: National Domestic Violence Hotline – 1-800-799-7233 or TTY 1-800-787-3224
- Sexual Assault: RAINN National Sexual Assault Hotline – 1-800-656-HOPE or <https://ohl.rainn.org/online/>
- Stalking: National Center for Victims of Crime, Stalking Resource Center – <https://www.victimsofcrime.org/our-programs/stalking-resource-center>
- Address Confidentiality: Safe at Home Program, Office of the Minnesota Secretary of State – <http://www.sos.state.mn.us/safeat-home/about-safe-at-home/>

17.1.7 Additional Resources

Participants who have been victims of sexual assault may call the Rape, Abuse, and Incest National Network's National Sexual Assault Hotline at 1-800-656-HOPE or visit the online hotline at <https://ohl.rainn.org/online/>.

Participants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Participants who fear for their safety and need assistance keeping their home address confidential from their abusers may contact the Safe at Home program administered by the Office of the Minnesota Secretary of State. More information about the Safe at Home program can be found at <http://www.sos.state.mn.us/safeat-home/about-safe-at-home/>

H - LANDLORD SERVICES

18.0 Owner Responsibilities

18.1 Owner/Landlord Responsibilities

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Perform all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease;
- Perform 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;
- Maintain the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance;
- Comply with equal opportunity requirements;
- Prepare and furnish information to MPHA as required under the HAP contract;
- Collecting from the family any security deposit, the tenant's contribution to rent (the portion of rent to the owner not covered by the housing assistance payment from MPHA), and any charges for unit damage by the family;
- Enforce tenant obligations under lease;
- Notify MPHA of any lease violations and eviction actions;
- Paying for utilities and services, unless paid by the family under the lease;
- Making modifications to a dwelling unit occupied or to be occupied by a disabled person; and
- Comply with the Violence Against Women Reauthorization Act of 2013 (VAWA) when screening and terminating HCV tenants.

18.2 Payment Discrepancies

Property Owners may request a review of a participant's financial payments records back one calendar year. MPHA will review and provide documentation of payments made. If an error is discovered, MPHA will recoup/release any payments to clear an outstanding balance.

If MPHA discovers an over/underpayment to a property owner who is still actively receiving payments from MPHA, the difference will be recouped/paid from the next MPHA payment. MPHA may go back 12 calendar months in resolving a balance in a family's records.

If MPHA discovers an overpayment to a property owner who is not actively receiving payments from MPHA, a Demand for Payment will be sent requesting the owner to reimburse MPHA. If the

debt is not resolved, the debt may be submitted to Revenue Recapture or a collection agency. MPHA may go back 1 year in resolving a balance in a family's records.

18.3 Landlord Excellence Program/Relationship Management

The Landlord Excellence Program (LEP) is a robust landlord incentive program that is used to identify how participating landlords maintain properties with Housing Choice Voucher (HCV) families. The program establishes the standards MPHA expects landlords to achieve and identify the incentives available to those who meet and exceed those standards, while also identifying landlords with opportunities for improvement.

Each landlord is categorized into three tiers, identified and explained in Section 19.2, LEP Tiers, and the exclusion criteria is identified. Any unit or inspection that does not meet the exclusion criteria is included in the program.

18.3.1 Review Period

Once each year, MPHA will conduct a review of all included inspections for all eligible units. This review will result in a calculated pass rate for each property owner or manager receiving payments from MPHA. MPHA will also calculate the number of abatements each property owner or manager received during the review period.

MPHA will consider only inspections and abatements that occurred during the preceding 12-month period, which constitutes the review period. MPHA may change the duration of the review period, provided that advance notice is sent to all property owners prior to the start of the review period.

18.3.2 Exclusion Criteria

Not all units are eligible for owner incentives, and certain units are excluded from unit counts for landlords. Inspections on excluded units are not included in pass rate calculations, and abatements on those units are not considered for abatement requirements.

In addition to excluded units, certain types of inspections, inspection outcomes, and abatements are excluded from pass rate and abatement calculations.

Exclusion criteria may change at MPHA's discretion. Notice of any changes will be sent to all landlords prior to the review period.

Property owners and managers are categorized by size classification, using the number of included units to delineate between small, medium, and large landlords. The pass rate requirements for the tiers are based on the size classification of the landlord. The definition for each size classification is:

- Small Landlords: Fewer than 10 units
- Medium Landlords: 10-24 units
- Large Landlords: 25 or more units

18.3.3 Units

The following units are classified as excluded units:

- PBV

- SRO
- MOD
- Sponsor Based

18.3.4 Inspections

Excluded inspections are any inspections with a primary status that is:

- Blank
- Cancel

Excluded inspections with a secondary status that is:

- Housekeeping
- Rescheduled
- Tenant
- Unconfirmed
- Unit Vacant
- Withdrawn

All quality control inspections are also excluded.

18.3.5 Abatements

Any abatement that does not result in funds being withheld or recouped is excluded.

18.4 Landlord Excellence Program Tiers

There are three tiers of landlords in the Landlord Excellence Program (LEP): Gold Unit Landlords, Standard Landlords, and Remediation Landlords. The basic requirements for each tier are centered on inspection pass rates, which vary based on the size classification of the landlord.

The minimum pass rate, and maximum number of allowed abatements for each tier, as well as any other requirements of that tier, are included in the tier definitions below.

18.4.1 Gold Unit Landlord

Gold Unit Landlords represent the highest tier in the Landlords Excellence Program. They consistently pass inspections, comply with MPHA requirements, attend MPHA-approved trainings, and provide the highest quality service for program participants.

18.4.2 Gold Unit Landlords Must Meet or Exceed the Following Requirements

Minimum pass rate based on size category:

- Small Landlords: 75%
- Medium Landlords: 80%

- Large Landlords: 85%

In addition, Gold Unit Landlords must:

- Have zero (0) abatements during the most recent review period;
- complete at least one (1) MPHA-approved training per year; and
- Not have been in the Remediation tier during the most recent review period.

18.4.3 Gold Unit Landlords Will Have Access to the Following Incentives

- Full Damage Claim Program, with a maximum reimbursement of \$2,500 per claim;
- Re-Rent Bonus;
- Option for Biennial Inspections;
- Ability to submit photos, videos, and documents as proof of repair in lieu of a physical reinspection for all failed inspections;
- Extended Move-in Inspections;
 - Move-in Inspections are good for ninety (90) days, rather than the current standard of thirty (30) days.
 - A new inspection is not required as long as there is a passed inspection in the unit within the prior ninety (90) days.
 - No other tenants have moved in during at that time. The passed inspection does not have to be a move-in inspection.
- Waiver of the “passed inspection prior to move-in” requirement:
 - This means a tenant may move in before a passed inspection is completed, provided there is an approved Request for Tenancy Approval (RTA).
 - Housing Assistance Payments (HAP) will be backdated to the tenant’s move-in date when these conditions are met.

18.4.4 Standard Tier Landlord

Landlords in the Standard Tier are either new to working with MPHA or meet only the basic program expectations. This tier represents the majority of landlords participating in MPHA programs.

Standard Tier landlords must meet or exceed the following requirements:

- Minimum pass rate based on size category:
 - Small Landlords: 45%
 - Medium Landlords: 50%
 - Large Landlords: 55%

- No more than three (3) abatements in the last review period.

Standard Tier Landlords have access to the following incentives:

- Partial Damage Claim Program, with a maximum reimbursement of \$1,250, and
- Photographs, videos, and documentation of repairs will be excepted for some repairs in lieu of a physical reinspection, as determined by MPHA.

18.4.5 Remediation Tier Landlord

Landlords who fail to meet the minimum inspection pass rate for the Standard Tier, or who have four (4) or more abatements during any review period, will be placed in the Remediation Tier.

Landlords in the Remediation Tier do not have access to any incentives and will be assessed a \$50 inspection fee for all inspections beginning with the second reinspection for a unit. This includes:

- Inspections in which there are too many failed items to complete a full inspection; and
- Inspections in which the landlord or the landlord's representative fails to attend the scheduled inspection.

Any reinspection fees assessed will be deducted from the landlord's next Housing Assistance Payment (HAP).

18.4.6 Exit Requirements from the Remediation Tier

A landlord may exit the Remediation Tier only if all of the following conditions are met:

- Completion of at least one (1) MPHA-approved remediation training;
- Zero (0) abatements for a continuous one-year period; and
- An inspection pass rate that is at least five percent (5%) above the minimum Standard Tier requirement for the landlord's size category.

18.5 Landlord Excellence Program Incentives

MPHA reserves the right to modify the terms of any incentives included as part of the Landlord Excellence Program. Written notice will be sent to all participating landlords if incentives are modified.

18.5.1 Minneapolis Property Owner Incentive Damage Claims

If a tenant-based voucher holder or rental assistance program participant causes physical damage to a unit beyond normal wear and tear, a claim may be submitted by the property owner, or by a property manager on the owner's behalf, to the Minneapolis Public Housing Authority (MPHA) requesting reimbursement for those damages.

Project-Based Voucher (PBV) units are not eligible to receive funding from the Owner Incentive Damage Fund.

18.5.2 Damage Claim Overview

Claims submitted under the Landlord Excellence Program must meet all of the following criteria:

- The claim may not be submitted prior to repossession of the unit;
- The unit must not be a Project-Based Voucher (PBV) unit;
- The Initial Claim Packet must be submitted within twenty-one (21) calendar days of the vacate date on file with MPHA;
 - The Initial Claim Packet includes:
 - The Initial Claim Form and Release
 - A copy of the Security Deposit Disposition letter that was mailed to the participant
 - An itemized summary of all damages and charges (final move-out ledger)
- The initial lease term for the unit must have commenced in 2018 or later;
- There must not be an active abatement in place for the unit at the time the damage claim is submitted;
- All federal, state, and local laws regarding security deposits and tenant-caused damages must be adhered to, including but not limited to, Minn. Stat. 504B.178; and
- The property owner or property manager must be a Gold Unit Landlord or Standard Tier Landlord under the Landlord Excellence Program.

18.5.3 Participant Resolution Opportunity

After MPHA receives all required documentation from the Initial Claim Packet, and prior to assuming any payments, MPHA will provide the participant with an opportunity to resolve the total amount due on the final move-out ledger with the property owner or property manager.

18.5.4 Claim Limits and Annual Caps

The maximum reimbursable amount for a damage claim is:

- \$2,500 for a Gold Unit Landlord
- \$1,250 for a Standard Tier Landlord

Effective August 15, 2025, property owners and property managers will be eligible for no more than five (5) damage claim payouts per calendar year. Exceptions may be granted based on funding available and severity of damages, as determined by MPHA.

If a participant elects to work with the property owner or manager to address the amount due, and the property owner or manager does not act in good faith, MPHA may deny the damage claim.

18.5.5 Participant Routes for Resolution

MPHA will consider the matter resolved upon the successful completion of any of the following actions:

- The participant pays the full amount listed on the itemized summary of all damages and charges to the property owner or property manager;

- The participant negotiates and pays a different amount to the property owner or property manager than that listed on the itemized summary of all damages and charges; and
- The participant establishes a payment agreement with the property owner or property manager to pay an agreed-upon amount, up to the full amount listed on the itemized summary of all damages and charges.

18.5.6 Documentation Requirement

For resolution through any of the options above, MPHA requires written confirmation from the property owner or property manager stating that:

- The outstanding balance has been satisfied in full, and no additional funds are owed; or
- A payment agreement has been established, including the agreed-upon amount.

18.5.7 Resolution Through Payment Agreements

If MPHA receives written notice that a payment agreement has been established, the property owner or property manager's damage claim will be placed on hold pending the participant's successful completion of the agreement.

If the participant misses a payment under that agreement, the property owner or property manager must notify MPHA as soon as possible. If the participant fails to resolve the missed payment(s) within ten (10) business days after MPHA contacts the participant, the damage claim will be reviewed and processed by MPHA in accordance with the Damage Claim Review and Processing procedures, less any amount previously paid by the participant.

18.5.8 Contesting the Charges

If a participant chooses to contest any portion or all of the damages or charges listed in the property owner or property manager's itemized summary, the participant must notify the property owner or property manager in writing within ten (10) business days of the meeting with MPHA.

Notice must:

- Be submitted by email or certified mail;
- State the participant's intent to contest the charges; and
- Include a copy provided to MPHA.

18.5.9 Hold on Damage Claim

Once MPHA is notified that a participant is contesting the charges, the damage claim will be placed on hold until the property owner or property manager completes one of the actions in the following sections.

18.5.10 Legal Action

File a court action against the participant for the amount owed.

The damage claim will remain on hold pending the outcome of the court proceedings. The property owner or property manager must notify MPHA of the outcome within ten (10) business days following the conclusion of the court proceedings.

If the property owner or property manager files a legal action and later dismisses the case, or if judgment is entered against the property owner or property manager, the damage claim will be closed, and MPHA will consider the matter resolved.

18.5.11 Mediation

Enter into third-party mediation with the participant regarding the amount owed.

The damage claim will remain on hold pending the outcome of mediation. If the participant refuses to participate in mediation, the damage claim will be reviewed and processed by MPHA in accordance with the Damage Claim Review and Processing procedures.

18.5.12 Post-Decision Payment Period

If the outcome of a court action or mediation requires the participant to pay any amount, MPHA will allow the participant ten (10) business days to resolve the payment. The ten-day period will begin on the later of:

- The date MPHA is notified of the outcome; or
- The date the court order becomes effective, unless the court order specifies a different timeframe.

If the participant does not resolve the amount within the required timeframe, the damage claim will be reviewed and processed by MPHA, less any amounts previously paid by the participant.

If the outcome of the court action or mediation does not require the participant to pay any amount, the damage claim will be closed.

18.5.13 Failure to Proceed

If the property owner or property manager elects not to pursue any of the options above after the participant has contested all or part of the charges, the damage claim may be denied.

18.5.14 Reviewing and Processing the Damage Claim

If the damage claim is not resolved through the actions described above, the claim will be reviewed and processed by MPHA in accordance with this section.

18.5.15 Damage Fund Limitations

Limitations in the coverage of the damage fund shall be listed in the Minneapolis Property Owner Incentive Damage Fund Claim Limitations page. The funds may not be used to cover the following costs:

- Unpaid rent or utilities;
- Cleaning costs;
- Storage, disposal, or removal of personal property;
- Pest control;
- Normal or expected wear and tear;

- Painting not related to physical damage;
- Costs incurred as part of an eviction;
- Damages reported to the landlord more than thirty (30) days prior to the tenant vacating the unit that were not repaired or addressed before moving-out; and
- Any damages for which the cause cannot be reasonably identified as tenant caused.

The following damages may be considered:

- Damages that were reported more than thirty (30) days before moving-out, repaired, and included on the ledger prior to the tenant vacating the unit; and
- Damages that were reported and for which timely corrective action was taken, but where the required repair timeframe exceeded thirty (30) days, provided that documentation demonstrating action was taken is submitted.

18.5.16 Documentation Requirements

Receipts and/or invoices showing the actual amount paid must be provided for all requested reimbursements. If both labor and material costs are being charged, the receipts/invoices must be itemized to show both. Only amounts that have a corresponding receipt/invoice will be considered for payment by MPHA.

If charges were contested, only the amount identified in a court order or the mediation agreement will be considered. Required receipts and/or invoices must still be provided or included in the court documents.

18.5.17 Reimbursement Limits

The maximum reimbursable amount of a damage claim is:

- \$2,500 for Gold Unit Landlords
- \$1,250 for Standard Tier Landlords

18.5.18 Effect of Payment

By accepting the amount awarded by MPHA, the property owner property manager agrees to deduct that awarded amount from the total balance owed before pursuing the participant for any remaining amount. However, it would not preclude any action the owner chose to pursue on the remainder of the balance.

If any amount is awarded for the damage claim from MPHA, it will be considered a serious program violation for the participant, and MPHA may proceed with termination of housing assistance.

18.5.19 Finality of Decision

Any decision by MPHA regarding a claim is final and not subject to an agency appeal.

18.5.20 Re-Rent Bonus

Re-rent bonuses are one-time payments of \$250, paid directly to landlords upon execution of the Housing Assistance Payments (HAP) contract, when all of the following circumstances conditions are met:

- The most recent prior tenant in that unit was a family with a voucher administered by MPHA;
- The most recent prior tenant vacated the unit no more than one hundred eighty (180) days prior to the effective date of the new HAP contract;
- The unit was in good standing with MPHA at the time of the vacate; and
- The most recent prior tenant lived in the unit for at least one (1) year prior to vacating.
 - Exceptions to this requirement may be made in the event of vacates related to VAWA, Reasonable Accommodations, or other circumstances based on MPHA discretion.

18.6 Attracting Property Owners and Landlords

Since the Housing Choice Voucher (HCV) program relies on participants occupying units in the private market, MPHA has implemented measures to ensure dedicated staff resources to the recruitment of new property owners and landlords.

The Community Engagement Specialist is the primary staff member responsible for executing an owner recruitment plan, which may include any combination of the following activities:

- Host community presentations or information sessions to explain the MPHA voucher program, outline incentives and benefits for participating owners, and clarify the approval and initial inspection processes for becoming a new owner-partner and renting to a voucher holder;
- Distributing a semi-annual Owner Newsletter to all Minneapolis property owners and landlords that provides program updates, administrative process information, current statistics, owner and participant highlights, and examples of community impact; and
- Respond to inquiries sent to the MPHA owner outreach email account.

MPHA also has a Housing Coordination Team responsible for supporting eligible program participants in locating housing in the private market and for increasing direct engagement with a diverse range of property owners and landlord's who maintain varied portfolio of units and are currently advertising available units.

19.0 Owner and Landlord Eligibility

19.1 Introduction

HUD regulations stipulate that an assisted tenancy may be approved only under certain conditions, and that the property owner must be qualified to participate in the program. Certain owners are precluded from participating in the Housing Choice Voucher (HCV) program, or from

renting to a particular family, due to prior history with this or another federal housing program, or due to conflicts of interest.

MPHA does not formally approve owners for participation in the HCV program. However, MPHA may deny approval of an assisted tenancy based on past owner conduct, conflicts of interest, or other owner-related issues. No owner has a right to participate in the HCV program.

19.1.1 Legal Ownership of Unit

MPHA will enter into a contractual relationship only with the legal owner of a qualified unit, or with a representative authorized to act on behalf of the legal owner.

No assisted tenancy will be approved without acceptable documentation of legal ownership or authority to represent the owner, including but not limited to:

- A deed or deed of trust;
- Proof of property tax records; or
- A valid property management agreement.

Ownership will be verified using the Hennepin County Property Information website.

<https://www.hennepin.us/residents/property/property-information-search>

19.1.2 Ineligibility Criteria

MPHA will not approve an assisted tenancy if it has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24.

HUD may also direct MPHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is currently pending.

19.1.3 Owner Actions That May Result in Disapproval of a Tenancy Request or Program Participation

MPHA may refuse to approve a request for tenancy if the owner has engaged in disqualifying conduct, as defined by HUD regulations or MPHA policy.

If MPHA disapproves a request for tenancy because the owner is not qualified, MPHA may not terminate existing Housing Assistance Payments (HAP) contracts for any assisted families already residing in the owner's properties unless the owner has violated the HAP contract for those units.

19.1.4 Grounds of Disapproval of a Request for Tenancy

MPHA may refuse to approve a request for tenancy if any of the following conditions apply:

- The owner has violated obligations under a Housing Assistance Payments (HAP) contract under Section 8 of the United States Housing Act 1937 (42 U.S.C. § 1437f);
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with federal housing program;
- The owner has engaged in drug-related criminal activity or violent criminal activity;

- The owner has a history or practice of noncompliance with the Housing Quality Standards (HQS) for units leased under tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- The owner has a history or practice of failing to terminate the tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any household member, a guest, or another person under the control of any household member that:
 - Threatens the right to peaceful enjoyment of the premises by other residents.
 - Threatens the health or safety of other residents, MPHA employees, owner employees, or persons involved in management of the housing.
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises.
 - Constitutes drug-related criminal activity or violent criminal activity.
- The owner has a history or practice of renting units that fail to meet state or local housing codes;
- The owner has not paid state or local real estate taxes, fines, or assessments;
- The owner does not have a current rental license for the property;
- The owner's property is in a subject to foreclosure; or
- The owner is absent and does not maintain a local management presence.

19.1.5 Consideration of Mitigating Factors

In determining whether to disapprove an owner for any of the discretionary reasons listed above, MPHA will consider any mitigating factors. Such factors may include, but are not limited to:

- The severity of the violation in relation to program requirements;
- The impact on the ability of families to lease units under the program; and
- The health and safety of participating families and the surrounding community.

Based on this consideration, MPHA may, on a case-by-case basis, elect to approve an owner.

19.1.6 Non-Discrimination

The owner must not discriminate against any person on the basis of race, color, religion, sex, national origin, age, familial status, or disability in connection with any actions or responsibility under the Housing Choice Voucher (HCV) program or the HAP contract with MPHA.

The owner must cooperate with MPHA and HUD in conducting any equal opportunity compliance reviews or complaint investigations in related with the HCV program and the HAP contract.

20.1 Change of Owner or Landlord

When there is a change of ownership or property management for a unit, the new owners or property managers are responsible for notifying MPHA of the change and submitting all required documentation.

Once notice is received by MPHA, Housing Assistance Payments (HAP) will be placed on hold until all required documentation is submitted and the change is fully processed.

If MPHA is not notified of a change in ownership or property management, and payments are made to the former owner or property manager as a result, it is the responsibility of the new owner or property manager to recover those payments. MPHA will not be involved in the reimbursement process.

20.1.1 Required Documentation

To complete a Change of Owner or Change in Property Manager, MPHA needs the following documents, as applicable:

- Proof of Ownership (required for a change in owner);
- A completed and signed IRS Form W-9 for the entity receiving payments;
- Proof of a current rental license for the property owner;
- A signed MPHA Change of Ownership form (required for a change in owner);
- A signed MPHA Change in Property Manager form (required for a change in property manager or assignment of a property manager); and
- A copy of the property management agreement (required for a change in property manager).

Additional information may be required. MPHA staff will contact the owner or property manager if further information is needed.

20.1.2 Processing Timeline

Once all forms are submitted, MPHA will complete the change request within sixty (60) days of receipt and approval of all required documentation.

20.1.3 Payment Setup and Direct Deposit

Owners and property managers are required to register with the MPHA landlord portal and provide banking information to enable payments via direct deposit.

Once the owner or property manager is added into the MPHA system, they will be provided a registration code and instructions for setting up their landlord portal account.

If necessary, paper checks may be issued for the first three (3) payments after a new owner is added to the system. After the initial three payments, payments will be held until direct deposit information is provided.

20.1.4 Late Fees

If payments are placed on hold because direct deposit or owner change information has not been provided, late fees may not be assessed on the held payments.

20.2 Leasing to Relatives/Conflict of Interest

MPHA will not approve an RTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The owner is required to certify that no such relationship exists. This restriction applies at the time when the family receives assistance under the HCV program for occupancy of a particular unit.

Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

MPHA may make an exception to this requirement as a reasonable accommodation for a family member with a disability.

20.2.1 Conflict of Interest

MPHA will not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one (1) year thereafter:

- Any present or former member or officer of MPHA (except a participant commissioner);
- Any employee of MPHA, or any contractor, subcontractor or agent of MPHA, who formulates policy or influences decisions with respect to the programs;
- Any public official, member of a governing body, or state or local legislator, who exercises functions or responsibilities with respect to the programs; or
- Any member of the Congress of the United States.

HUD may waive the conflict-of-interest requirements, except for members of Congress, for good cause. MPHA will submit a waiver request to the appropriate HUD Field Office for determination. MPHA will follow HUD guidelines for waiver requests.

Where MPHA has requested a conflict-of-interest waiver, MPHA may not execute the HAP contract until HUD has made a decision on the waiver request.

20.2.2 Waiver Request Requirements

Any waiver request submitted by MPHA will include:

- A complete statement of the facts of the case;
- An analysis of the specific conflict of interest provision of the HAP contract and justification for why the provision should be waived;
- An analysis of and statement of consistency with state and local laws. The local HUD office, MPHA, or both parties may conduct this analysis. Where appropriate, an opinion by the State Attorney General should be obtained;

- An opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- A statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, a statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, an explanation of their duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by MPHA or assistance under the HCV program for an eligible MPHA employee, an explanation of the responsibilities and duties of the position, including any related to the HCV program; and
- If the case involves an investment on the part of a member, officer, or employee of MPHA, a description of the nature of the investment, including disclosure/divestiture plans.

20.2.3 Consideration of Waiver Requests

In considering whether to request a conflict-of-interest waiver from HUD, MPHA will consider the following factors for waiving the requirement:

- Consistency with state and local laws;
- The existence of alternative housing available to families;
- The individual circumstances of a particular family;
- The specific duties of individuals whose positions present a possible conflict of interest;
- The nature of any financial investment in the property and plans for disclosure/divestiture; and
- The possible appearance of impropriety.

I - UNIT ELIGIBILITY

21.0 Request for Tenancy Approval (RTA)

21.1 Request for Tenancy Submission & Approval

After the family is issued a voucher, the family must locate an eligible unit, and the owner and the family must request that MPHA approve the assisted tenancy in the selected unit by submitting a completed Request for Tenancy Approval (RTA).

The RTA contains important information about the rental unit selected by the family that is necessary for MPHA to assistance. This information includes the unit address, number of bedrooms, structure type, year constructed, proposed rent, security deposit amount, the requested lease start date, and the date the unit will be available for inspection.

The owner must also provide specific information regarding all utilities supplied to the unit (e.g., water, sewer, trash collection, electricity and the fuel source for heat, cooking, and hot water) and whether responsibility for payment of these utilities rests with the tenant in addition to rent or with the owner as included in the rent.

An approved RTA is not a lease, and a signed lease between the owner and the family is still required for tenancy.

21.1.1 RTA Requirements

The RTA must be submitted no later than the expiration date stated on the voucher and must be signed by both the family and the owner or owner's representative (other than the family).

Owners must certify that they are not the parent, child, grandparent, grandchild, or sibling of any member of the family, unless MPHA has granted a request for reasonable accommodation for a person with a disability who is a member of the tenant household.

For units constructed prior to 1978, owners must do one of the following:

- Certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector, or
- Attach a lead-based paint disclosure statement.

The family may not submit more than one (1) RTA at a time, and MPHA will not process more than one (1) RTA per family at a time.

Once an RTA is submitted, MPHA will review it for completeness. If the RTA is incomplete (including the absence of a required signature by the family, the owner, or both), MPHA will not accept the RTA. All requirements of the RTA must be submitted in writing and cannot be accepted verbally or over the phone.

21.1.2 Communication Regarding the RTA Process

Communication regarding the RTA and tenancy approval process will be done first by phone or email, due to the time-sensitive nature of this process. Communications will be mailed only if MPHA is unable to reach the parties via phone or email.

MPHA will not routinely mail correspondence related to an RTA once it has been submitted. Communication will be conducted via email whenever possible, with follow-up phone contact if responses are not received.

21.2 RTA Receipt and Initial Review

After the RTA has been accepted, it will be reviewed by MPHA staff to determine whether it may be approved. There are four criteria that must be met for an RTA to be approved:

- The unit must be an eligible unit for the family;
- The owner must maintain an active and valid rental license, where required by state or local law;
- The unit must be deemed affordable, based on the rent burden criteria below; and
- The requested rent must be deemed reasonable, based on the criteria below.

21.2.1 Eligible Units

In general, a family may choose any available rental dwelling unit on the market in MPHA's jurisdiction. As different programs at MPHA have different requirements for eligible units, MPHA staff will review the unit to make sure it is eligible for assistance under the specific program for which the family is receiving assistance.

All rental units must meet any federal, state, and local laws to be eligible, regardless of the program under which the family is assisted.

Specific requirements and prohibitions for unit eligibility are listed below.

21.2.2 Ineligible Units

MPHA may not assist a unit under the voucher program if the unit is public housing or Indian housing; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

21.2.3 Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, MPHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing, and the homeownership option.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Other than when necessary under an approved reasonable accommodation, the only special housing type currently approved by MPHA is single room occupancy, as covered under the Project-based Voucher Program sections of these operating procedures.

21.2.4 Duplicative Assistance

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of another housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or state rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities;
- Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, state, or local housing subsidy, as determined by HUD.

For this purpose, the term “housing subsidy” does not include the housing component of a welfare payment, a Social Security payment received by the family, or a rent reduction because of a tax credit.

21.2.5 Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable Housing Quality Standards (HQS) space requirements [24 CFR 982.402(d)].

The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family, if the unit is within the rent burden limits.

21.2.6 Rent Reasonableness

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises.

MPHA will use data collected by an MPHA designated third party vendor to determine rent reasonableness.

21.2.7 Rent Burden Policy

When determining affordability, MPHA will first determine the gross rent. The gross rent is the rent to the owner plus a utility allowance based on the utilities the tenant is responsible for paying. This includes any utilities the owner bills back to the tenant.

If the gross rent exceeds MPHA's applicable payment standard MPHA will look at the portion of rent the tenant is responsible for compared to the family's monthly adjusted income. The income used for the calculation must have been provided within the last sixty (60) days.

If the family's portion exceeds fifty percent (50%) of the monthly adjusted income, MPHA will not approve the tenancy.

MPHA will not approve a Request for Tenancy Approval (RTA) if a participant's rent portion exceeds fifty percent (50%) of their monthly gross income without supervisory review and approval. MPHA retains the right to approve or deny any Request for Tenancy Approval (RTA).

21.2.8 RTA Approval

After receiving the family's Request for Tenancy Approval, MPHA must promptly notify the family and the owner whether the assisted tenancy is approved.

If the RTA is approved, an initial inspection will be requested as indicated below. The tenancy cannot be finalized, and the HAP contract cannot be signed prior to the unit passing the required inspection.

Once the unit has passed the initial inspection, the signed lease must be submitted by the owner or the family to MPHA to be reviewed as indicated below.

If the terms of the RTA are changed for any reason, including but not limited to negotiation with the PHA, MPHA will annotate the changes on the RTA with the date, time, and the name of the person authorizing the change.

21.2.9 RTA Denial

If MPHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any basis for disapproval. MPHA will inform the family and the owner of the reason or reasons for denial. Changes may be made to the RTA at that time to seek approval.

If the RTA is denied because the unit is unaffordable for the family, the family may negotiate with the owner to lower the proposed rent to meet applicable affordability requirements.

If the RTA is denied because the requested rent is found to be unreasonable, the owner will be given the opportunity to propose a lower rent that meets the reasonableness requirement or to supply comparable units to be reviewed.

If a new rent is agreed to by the owner, the RTA will be approved, once confirmation of the new rent amount is provided in writing to MPHA.

If the owner is not willing to reduce the rent, the family must continue to search for eligible housing that meets program requirements, within the timeframe of the issued voucher.

21.3 Request for Unit Inspection

In order to be eligible, the dwelling unit must be in a decent, safe and sanitary condition. This determination is made using the current standards approved by HUD. After MPHA approves the RTA, a request for an initial inspection will be submitted in accordance with HUD requirements.

If the initial inspection cannot be passed, the family must continue to search for eligible housing that meets program requirements within the timeframe of the issued voucher.

21.4 Lease and Tenancy Addendum

Once the RTA has been approved, and the initial inspection has been passed, the family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner. MPHA is not a party to this contract, but the lease must be submitted to MPHA for review before the HAP contract can be executed and payments begin.

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 [24 CFR 982.308(a)]

21.4.1 Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or on the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

MPHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

21.4.2 Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant and all family members;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to the owner; and
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

21.4.3 Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract. If the initial lease term does not match between the lease and the HAP contract, an addendum must be provided adjusting the initial lease term to match the HAP contract.

The HUD program regulations permit MPHA to approve a shorter initial lease term if certain conditions are met.

During the initial term of the lease, the owner may not raise the rent to the participant [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

MPHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

21.4.4 Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. MPHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

MPHA will allow the owner to collect any security deposit amount in accordance with applicable state or local law. Therefore, no modifications to the HAP contract will be necessary.

21.4.5 Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by MPHA minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants on the premises [24 CFR 982.510(c)].

MPHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than a range and a refrigerator), and other items that are not included in the lease.

21.4.6 Items Required to Be Included in the Lease

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and the family.

Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

21.4.7 Items Eligible for Separate Non-Lease Agreements

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and for which the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

21.4.8 Effect of Non-Lease Agreements on Tenancy

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

21.4.9 Consideration in Rent Reasonableness

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

21.4.10 PHA Review of Lease

MPHA will review the dwelling lease for compliance with all applicable requirements. The following terms must be the same between the approved RTA and the signed lease:

- Total contract rent;
- All utility responsibilities; and
- The unit address.

If any of the above items differ between the approved RTA and the lease, the RTA will need to be amended to match the lease and re-reviewed to ensure the unit is still affordable and the rent is reasonable.

If the dwelling lease is incomplete or incorrect, MPHA will notify the family and the owner of the deficiencies. Missing or corrected lease information will only be accepted in writing.

21.4.11 Communication During Lease Review

Because the initial leasing process is time-sensitive, MPHA will attempt to communicate with the owner and the family by phone or email. MPHA will use mail when the parties cannot be reached by phone or email.

MPHA is permitted, but is not required, to review the lease to determine if the lease complies with applicable state and local law and is permitted to decline to approve the tenancy if MPHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)].

21.4.12 HAP Contract Execution [24 CFR 982.305]

The HAP contract is a written agreement between MPHA and the owner of the dwelling unit. Under the HAP contract, MPHA agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract. The HAP contract form is prescribed by HUD.

If MPHA has given approval for the family for the assisted tenancy, the owner and MPHA must execute the HAP contract.

21.4.13 Term of the HAP Contract

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)]. MPHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

MPHA may not pay any housing assistance payment to the owner until the HAP contract has been executed.

Owners who have not previously participated in the HCV program are encouraged to attend a meeting with MPHA in which the terms of the Tenancy Addendum and the HAP contract will be explained.

The owner and the assisted family will execute the dwelling lease, and the owner or family must provide a copy to MPHA before the HAP contract will be executed.

21.4.14 Changes in Lease or Rent [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give MPHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter, and must comply with the terms of the HAP contract.

Generally, MPHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract is required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and
- The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

21.4.15 Changes to Rent Amount

Where the owner is changing the amount of the rent to the participant, the owner must notify MPHA at least sixty (60) days before any such changes go into effect [24 CFR 982.308(g)(4)].

MPHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in this chapter. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase or terminate the tenancy in accordance with the terms of the lease.

22.0 Inspection Standards

22.1 Unit Inspection

MPHA will inspect each unit in accordance with established policies to ensure the unit meets the Housing Quality Standards (HQS). MPHA will maintain a history of each inspection.

All units must pass an HQS inspection prior to the approval of a lease and at least once every twenty-four (24) months during the term of the contract. Additional inspections may be conducted as needed to verify continued compliance with HQS.

22.1.1 Enhanced Local Inspection Standards

MPHA incorporates regulations outlined by the City of Minneapolis Office of Regulatory Services to develop “enhanced” inspection standards that integrate relevant city residential codes that affect safety with HQS. This is to further provide for the safety and security of families served by MPHA’s HCV program.

22.1.2 Project-Based Voucher (PBV) Inspection Procedures

Upon approval, MPHA allows Project-based voucher (PBV) properties to complete their own move-in and annual inspections, provided that a certified HQS inspector conducts the inspections and reports the outcomes to MPHA.

The HCV Inspection Supervisor will then conduct periodic quality control inspections to ensure compliance. This will allow for expedited leasing for MPHA participants.

MPHA reserves the right to revoke permission from PBV properties to conduct their own inspections when they are determined to be non-compliant.

22.1.3 General HUD Requirements

Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook;
- HUD Housing Inspection Manual for Section 8 Housing;
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD 52580 A (9/00);

- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973;
- The Americans with Disabilities Act of 1990; and
- The Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

22.1.4 HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air Quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke detectors.

22.1.5 Tenant Preference Items

HUD requires MPHA to enforce minimum HQS but also recognizes that certain judgments about the acceptability of the unit are left to the family. For example, MPHA will ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic appearance of the facilities are acceptable.

22.1.6 Modifications to Provide Accessibility

Under the Fair Housing Act of 1988, an owner must not refuse reasonable and necessary unit modification requests from families that include a person with a disability. Such modifications are at the family's expense.

The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit.

However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary, to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest-bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant.

22.1.7 Construction Standards and Assurances

The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the Uniform Federal Accessibility Standards (UFAS) and the Americans with Disabilities Act (ADA) Accessibility Guidelines. See Chapter 18 of this plan for additional information on reasonable accommodations for persons with disabilities.

Any owner that intends to negotiate a restoration agreement or that requires an escrow account must submit the agreement(s) to MPHA for review.

22.1.8 Additional Local Requirements

MPHA may impose variations to the HQS as long as the additional criteria are not likely to adversely affect the health or safety of participating families or severely restrict housing choices for families. HUD approval is required for variations to the HQS. HUD approval is not required if the variations are solely clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

As permitted by HUD, MPHA has adopted the following specific requirements that elaborate on HUD standards.

- If walls are yellowed or badly stained, they must be repainted and sealed. The owner may request the tenant to clean the wall surfaces prior to painting.
- Ceiling height must be a minimum of seven (7) feet high.
- Room dimensions must be at least seventy (70) square feet for one person and ninety (90) square feet for two persons. Rooms must be a minimum of seven (7) feet in any direction.
- Windows must be weather-stripped as needed to ensure a weather-tight seal.
- Owners must provide and install window coverings (i.e., shades, blinds, or similar coverings) in bathrooms and bedrooms.
- All Egress windows must have escape ladders or stair-steps on the exterior of the building when the window well depth is greater than forty-four (44) inches to facilitate a safe exit and must meet applicable Minneapolis City Code dimensions.
- All interior doors which lead directly to and from the assisted unit must have a turn-style deadbolt lock; double- keyed deadbolts are not permissible.

- All bedrooms must have a door that closes to allow for privacy. All bathrooms must have a door that closes and locks to allow for privacy.
- In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption or otherwise comply with Minnesota State Metering Law.
- In the interest of safety, MPHA requires all electric wiring (i.e., Romex, loose solid or stranded wiring, 120-240 volt only, not including low voltage wiring) on the exterior (outward-facing side) of any ceiling, wall, floor, or exterior of a home/garage to be properly covered with metal or plastic conduit or encased (e.g., sheetrock, plywood or other suitable wall covering material) to prevent physical damage to wiring in finished spaces.
- Inoperable appliances must be discarded. Appliances that are operable but not in use must be stored in a locked area. If discarding, the appliance door must be removed.

22.1.9 Thermal Environment

The PHA must define a “healthy living environment” for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, which is appropriate for the local climate.

The heating system must be capable of maintaining an interior temperature of at least sixty-eight (68) degrees Fahrenheit between October 1 and May 1.

22.1.10 Life-Threatening Conditions

HUD requires MPHA to define life-threatening conditions and to notify both the owner and the family of the required corrections. The responsible party (owner or participant) must correct all life-threatening conditions within twenty-four (24) hours of notification by MPHA.

The following conditions are considered life-threatening:

General:

- Any condition that jeopardizes the security of the unit;
- Conditions presenting an imminent risk of injury;
- Obstacles preventing safe entry into or exit from the unit;
- Blocked or impeded emergency exits that limit the ability to evacuate during a fire or other emergency;
- Missing or damaged components affecting the function of a fire escape; and
- Stored items or barriers that restrict or prevent use of the fire escape.

Plumbing, Water, and Flooding Hazards

- Major plumbing leaks or flooding, including water-logged ceilings or floors in danger of collapse;

- Utilities not in service, including the absence of running hot water;
- Absence of a functioning toilet if it is the only toilet in a unit; and
- Inoperable hot water heater.

Gas, Fuel, and Combustion Hazards

- Natural gas, liquefied petroleum (LP) gas, or fuel oil leaks;
- Leaking fuel storage vessels, lines, valves, or connections supplying HVAC equipment, or the presence of strong fuel odors creating a risk of explosion, fire, or inhalation hazard;
- Gas- or oil-fired water heaters or HVAC systems with missing, damaged, improper, or misaligned venting;
- Chimneys or venting systems that are misaligned, negatively pitched, or damaged, causing unsafe venting of combustion gases;
- Fuel-fired space heaters that are improperly vented or lack adequate combustion air;
- Presence of non-vented space heaters;
- Missing or damaged safety devices on fuel-fired space heaters; and
- Missing, damaged, or inoperable gas dryer vents, or dryer exhaust not vented to the exterior.

Electrical Hazards

- Any electrical condition posing a risk of shock or fire;
- Light fixtures that are unsecured with exposed wiring;
- Light fixtures hanging by electrical wires;
- Missing or broken bulbs where open sockets are readily accessible;
- Missing or broken outlets or switches with exposed wiring;
- Unlocked open circuit breaker positions in electrical panels;
- Missing covers on electrical boxes, panels, or control devices with exposed connections;
- Damaged insulation exposing conducting wires;
- Exposed bare wires or electrical connections;
- Openings in electrical panels or control enclosures; and
- Water leaking or pooling near electrical devices, creating an immediate risk of electrocution or fire.

Heating, Appliances, and Utilities

- Absence of a working heating system capable of maintaining an interior temperature of 68 degrees Fahrenheit between October 1 and May 1;
- Absence of a functioning cooking appliance; and
- Absence of a functioning refrigerator.

Fire and Life Safety Equipment

- Inoperable smoke detectors or carbon monoxide (CO) alarms;
- Missing or inoperable carbon monoxide detectors; and
- Missing, damaged, discharged, overcharged, or expired fire extinguishers where required.

Lead-Based Paint Hazards

- Deteriorated paint, as defined in 24 CFR 35.110, in units built before 1978 that are occupied by families with a child under six years of age, where the condition would prevent move-in.

22.1.11 Failure to Correct Life-Threatening Conditions

If an owner fails to correct life-threatening conditions within the required timeframe, housing assistance payments (HAP) will be abated, and the HAP contract will be terminated.

If a family fails to correct a family-caused life-threatening condition as required, MPHA may terminate the family's assistance.

22.1.12 Smoke Detector Responsibility

The owner is responsible for repairing inoperable smoke detectors unless MPHA determines that the family intentionally disabled the device (e.g., by removing batteries). In such cases, the family must repair the smoke detector within twenty-four (24) hours.

22.1.13 Temporary Relocation Due to Lead Abatement

If a certified Risk Assessor (e.g., Hennepin County or another qualified entity) determines that lead-based paint abatement would be unsafe for the family, the owner must provide temporary alternative housing for the duration of the abatement.

22.1.14 Owner and Family Responsibilities

The owners or the family is responsible for maintaining general housekeeping throughout the interior and exterior of the property.

22.1.15 Family Responsibilities

The family is responsible for correcting the following Housing Quality Standards (HQS) deficiencies:

- Tenant-paid utilities not in service;
- Failure to provide or maintain appliances owned by the family;
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear that results in a breach of the HQS; and

- "Normal wear and tear" defined as items which could not be charged against the tenant's security deposit under state law or court practice.

MPHA may terminate assistance to a family because of an HQS breach caused by the family.

22.1.16 Owner Responsibilities

The owner is responsible for all Housing Quality Standards (HQS) violations not listed as a family responsibility in the above section, even if the violation is caused by the family's living habits (e.g., vermin infestation).

However, if the family's actions constitute a serious lease violation the owner may take legal action to evict the family.

If the owner fails to maintain the dwelling unit in accordance with HQS, MPHA will take action to enforce the owner responsibilities, which may include the abatement or reduction of HAP payments and termination of the HAP Contract.

22.1.17 Special Requirements for Children with Environmental Intervention Blood Lead Level

When MPHA is notified by a public health department or other health care provider, or verifies information from a source other than a public health department or health care provider, that a child of under six (6) years of age living in an HCV-assisted unit has been identified as having an elevated blood lead level, MPHA will complete an environmental investigation of the dwelling unit within fifteen (15) calendar days after being notified by a public health department or other health care provider.

22.1.18 Environmental Investigation Results

The environmental investigation must be completed in accordance with program requirements, and the results of the environmental investigation must be immediately provided to the owner of the dwelling unit.

In cases where the public health department has already completed an evaluation of the unit, this information must also be provided to the owner.

22.1.19 Owner Hazard Reduction Requirements

Within thirty (30) days after receiving the environmental investigation report from MPHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations at [24 CFR 35.1325 and 35.1330].

If the owner does not complete the hazard reduction as required, the dwelling unit is in violation of HQS and MPHA will take action in accordance with abatement policies in this Administrative Plan.

22.1.20 Reporting and Recordkeeping Requirements

MPHA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level are discussed in the Appendix.

22.2 Inspections Scheduling Process

The family must allow MPHA to inspect the unit at reasonable times with reasonable notice. Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be at least twenty-four 24 hours.

Generally, inspections will be conducted on business days only. In the case of a life-threatening emergency, MPHA will give as much notice as possible, given the nature of the emergency.

22.3 Types of Inspections

MPHA conducts the following types of inspections as needed:

- Initial Move-in Inspections;
- Annual/Biennial Inspections;
- Special Inspections (i.e., complaint, deferment for exterior repairs due to weather, etc.);
- Re-inspections; and
- Quality Control Inspections.

During any inspection, MPHA may take pictures or video of the unit and its contents. Appropriate action will be taken as a result of violations that are observed.

22.4 Initial Inspection Process

MPHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract. MPHA will not rely on alternative inspections and will conduct an HQS inspection for each unit prior to executing a HAP contract with the owner.

22.4.1 Validity Period for Move-In Inspections

Move-In inspections are good for thirty (30) days, unless an exception is granted by Inspections the Inspections Supervisor. If an inspection passes, but a participant doesn't move in within thirty (30) days of a move-in inspection, a new inspection will need to be conducted. This is more common with Project Based Voucher (PBV) inspections but may occasionally result in multiple passed move-in inspections in the record. This is not necessarily an error.

22.4.2 Move-in Inspections Exception

New construction PBV inspections may be valid for more than thirty (30) days, as approved by the Inspections Supervisor.

22.4.3 Inspector Scheduling Responsibilities

The Inspector is responsible for making sure their Outlook calendar and Voyager schedule are consistent. If there are any discrepancies, work with Administrative Staff or the HQS Specialist to resolve them.

22.4.4 Late Arrival Notification

Move in inspections are scheduled for specific times. If the inspector will be delayed more than thirty (30) minutes, the inspector should contact the owner representative using the contact info in the inspection, owner screen, or Outlook notes to notify them of the delay.

22.4.5 Move-In Inspection Procedure

Upon arrival at a property, the inspector will knock/ring the doorbell for entry. An owner representative must be present for move-in inspections.

If there is no answer, or the only person present is the participant, the inspector will attempt to contact an owner representative to attempt to gain entry. The inspector will wait for at least ten (10) minutes after the scheduled inspection start time before noting the inspection as “No Entry.”

The Inspector must check for alternate entrances (e.g., front & back doors).

22.4.6 Move-in Variation for No Entry

If after ten (10) minutes, an owner representative is not present, the Inspector must take at least one “No Entry” photograph of the building or unit to document the attempted inspection.

Best practice is to take one photograph upon arrival and another before leaving to clearly demonstrate the wait time.

The Inspector must note the date and time of the “No Entry” in the inspection results screen as a case note.

22.4.7 Unit Not Vacant

While MPHA prefers units to be vacant for move-in inspections, units may occasionally be occupied due to early move-ins or participants continuing to receive assistance at their current unit after coming off the waitlist.

Inspectors may work around new tenants and their furniture. However, if prior tenants or their belongings are still present, the Inspector must not complete the inspection. The Inspector must politely notify the owner’s representative that the inspection must be rescheduled after the current tenant vacates and the unit turnover is complete.

22.4.8 Inspection Outcomes and Documentation

If Pass:

If the unit passes inspection, the Inspector must complete the report in Voyager and update Outlook and Smartsheet with the decision. Reports must be entered no later than the end of the business day following the inspection.

If Fail:

If the unit fails inspection, the Inspector must take photographs of any egregious failed items that are not self-explanatory, except for items that cannot be adequately captured on camera. Photographs must be attached to the correct inspection report line item.

The Inspector must complete the report in Voyager, update Outlook and Smartsheet, and print and mail the Failed/Inconclusive Move-In letter. The Inspector must select the “Include on Portal” checkbox when generating letters.

If Inconclusive / Not Ready:

If the unit has more than five (5) to six (6) failed items, the Inspector may, at their discretion, stop the inspection and declare the unit “Not Ready for Inspection.”

The owner must be notified that the inspection is being discontinued due to the number of deficiencies. No official list of failed items will be provided. Once the owner believes the unit is ready, they may request rescheduling by replying to the original scheduling email sent by the Inspections Department.

As a courtesy, the Inspector may point out observed deficiencies; however, due to the number of issues, it would be administratively burdensome to list them all, and additional violations may be missed.

The Inspector must complete the report in Voyager as Cancel (Primary) and Not Ready / Too Many Items (Secondary), update Outlook and Smartsheet, and generate and mail the Failed/Inconclusive Move-In letter.

22.4.9 Move-in Reinspection (MR)

Scheduling:

- Open the failed inspection;
- Click Create Reinspection; and
- Assign the Inspector, enter the new date, and click Save.

Emails for Move-In Reinspection must be sent in the same manner as initial Move-In Inspections; however, owners are not required to confirm these appointments. Any confirmation-request language must be removed from the email.

22.4.10 Move-In- Reinspection Procedure

Move-in Reinspection are completed like Move-in Inspections, except you go back to check just the items that failed.

Move-in Reinspection must be completed within thirty (30) days from the date of the Move-in Inspection, unless an extension is issued.

22.4.11 Proof of Repair

At the inspector’s discretion, to pass a failed item via provided proof of repair instead of a physical reinspection. Common types of acceptable proof of repairs may be work orders, invoices/contracts, or pictures.

An inspector can always decline to accept proof of repair and instead insist on a physical reinspection.

If proof of repair is accepted to pass an inspection item, create a reinspection from the failed inspection (or reassign an existing future reinspection if one exists). Update the inspector and scheduled date to the date on the received proof of repair. Update the failed items to pass. If the proof of repair shows an earlier date (time stamp, completed date, etc.), we can honor that earlier date.

Upload the proof of repair to the inspection attachments in Voyager. Notify the sender that you have passed the inspection and follow other steps for a passed inspection as normal, including updating Smartsheet/outlook.

This may apply to any inspection type, not just move-in inspections.

Some failed items cannot be passed with a photo alone. Some examples include Smoke alarms, stoves lighting from pilot (a burning burner doesn't prove that it started without the assistance of a lighter), many electrical items, etc.

22.4.12 Timing of Initial Inspections

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within fifteen (15) working days of submission of the Request for Tenancy Approval (RTA).

For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within fifteen (15) working days. The 15-working-day period is suspended for any period during which the unit is not available for inspection [24 CFR 982.305(b)(2)].

To the extent practicable, MPHA will meet these timeframes. If the unit fails HQS and the Inspector determines repairs will exceed thirty (30) days or a risk assessment is required, MPHA may withdraw the RTA.

22.4.13 Withdrawing a Move-In Inspection

The active Move-In Desk Smartsheet calculates a withdrawal date if a unit has been approved for inspection but has not passed within thirty (30) days. Units may be excluded by selecting the "Exclude from Withdraw" checkbox.

Once the withdrawal date is reached, Move-In Desk staff will routinely review and withdraw the Request for Tenancy Approval (RTA) for units exceeding the time limit.

Once withdrawn, all inspections associated with the RTA will be locked and cannot be edited or recreated. Smartsheet will notify HCV staff, owners, and participants of the withdrawal.

The same withdrawal process may be used for other reasons, including lead-based paint issues involving children under six or at the request of an owner or family. The Withdraw Reason column must be completed, and the Withdraw checkbox selected.

In Voyager, staff must cancel the RTA Tracker (FDI Screen) for the same date. The "Withdrawn?" checkbox confirms this step. No entry is required in "Withdraw Completed," as the system auto-populates this field.

22.5 Annual Inspections Process

22.5.1 Annual and Biennial Inspections

MPHA is required to inspect each unit under lease at least biennially to confirm the unit continues to meet HQS. A biennial inspection frequency means that the unit must be inspected at least once in a twenty-four (24) month period.

An annual inspection means that the unit must be inspected at least once in a twelve (12) month period.

When the term “regular inspection” is used, it refers to both annual and biennial inspections.

MPHA may still allow the owner to retain the biennial inspection frequency when a prior HQS violation resulted solely from a non-compliant tenant who has since vacated the unit.

22.5.2 Inspection Frequency Authority

MPHA reserves the right to change any HQS unit inspection frequency based upon management discretion and program needs. MPHA will not rely on alternative inspection standards.

22.5.3 Annual and Biennial Inspection Procedure

Upon arrival at a property, the inspector will knock/ring the doorbell for entry. If no answer, the inspector may call the participant as a best practice to attempt to gain entry.

If there is still no answer, the inspector will follow No Entry procedures outlined below.

If allowed entry, conduct the inspection of the unit according to HQS standards and additional guidelines outlined in the Administrative Plan and Operational Procedures Manual.

22.5.4 Inspection Outcomes and Documentation

If pass:

Complete the report in Voyager. Reports should be entered no later than two (2) business days after an inspection.

If fail:

Take photos of any egregious failed items or items that require further illustration than the just the text from the report.

Complete the report in Voyager. Click the “Create Reinspection” checkbox and copy it forward twenty-one (21) to thirty (30) days in the future. Once back in the office, generate the failed inspection letter (Remember to check the “Include on Portal” checkbox, and mail to owner and tenant via mail. This should be done within two (2) business days of the inspection. Update Outlook with the results and the newly scheduled reinspection.

22.5.5 Annual Reinspection (AR)

Annual Reinspection are completed like Annual Inspections, except you go back to check just the items that failed previously.

Annual Reinspection must be completed twenty-one (21) to thirty (30) days from the date of the Annual Inspection, unless an extension is issued. Due to required timelines, Annual Reinspection may only be rescheduled by the Inspector.

22.5.6 AR Outcomes

If pass:

Complete the report in Voyager.

If fail:

Complete the report in Voyager and initiate the abatement process or issue an extension or Directives for Immediate Repair (DIR), as applicable.

If new items are identified at a reinspection, the owner must be given time to fix these items. In these instances, complete your AR as normal, and compile new items under a Complaint Inspection (CI). A failed letter and inspection report must be sent for the new items.

22.5.7 No-Entry Procedures

If you do not gain entry for an inspection on the first attempt for Annual Inspections or Complaint Inspections:

- The Inspector must reference their calendar to determine the next available date. If a door hanger can be left, a sooner reattempt may be scheduled, as postal delivery time does not need to be considered.
- If possible, the Inspector should leave a door hanger noting the no-entry time and the rescheduled inspection date. Best practice is to hang the door hanger with the back side visible to maintain participant privacy.
- In secured buildings where door hangers cannot be left, Inspectors must not place unstamped mail in mailboxes.
- The Inspector must note the date and time of the no-entry in the inspection record in Voyager and take a no-entry photograph of the address and, if applicable, the door hanger.
- The report must be completed in Voyager with Primary Status set to Cancel and Secondary Status set to “No Show / No Entry.”
- The Inspector must click “Create Reinspection,” update the inspection date, save the record, and copy the Outlook appointment forward to match Voyager.
- A no-entry letter must be sent to the owner and tenant via mail and email (if available) within 2 business two (2) business days, ensuring the “Include on Portal” checkbox is selected.

22.5.8 Second No-Entry Attempt

Send a no-entry letter to owner and tenant via mail and email (if available) within 2 business days of the attempted inspection. When generating the letter, be sure to check the “Include on Portal” checkbox.

If you do not gain entry for an inspection after the second attempt:

Complete the report in Voy in the same manner as above. Note the time of the no entry and take the no entry photos. Enter the NE info in the two (2) No-Entry Termination Request Smartsheet. The assigned tech will be notified to send a Termination letter. We can schedule a third and final attempt if requested by the tech or tenant.

22.5.9 Third No-Entry Attempt

If a third no-entry occurs, the Inspector must update the Two (2) No-Entry tracking spreadsheet and notify the Eligibility Technician, who will take appropriate next steps.

22.5.10 Extensions

Extensions may be issued for legitimate reasons, not simply because the person, requests additional time without justification. Acceptable reasons include, but are not limited to, delivery delays, contractor/3rd party reschedules/delays, etc.

Extensions should be given for a reasonable amount of time but generally would be between 2 weeks and a month. However, there may be occasional instances where the reasonable amount of time may be different.

Complete report in Voy as a Failed inspection of the appropriate type. Send the Extension Letter to owner and tenant via mail and email (if available) within 2 business days and schedule the reinspection for the end of that time.

22.6 Special Inspection Process

A special inspection may be requested by the owner, the family, a third party, or MPHA and may be related to any matter arising out of this Plan or the administration of the Section 8/HCV Program. Such matters include, but are not limited to, VAWA, reasonable accommodation requests or denials, post-rehab/post construction inspections, family composition, or the use of the unit, and other matters.

During a reasonable accommodation-related special inspection, measurements may be taken of room dimensions, the size of medical equipment, or unit layout.

If a participant or government official reports a life-threatening condition, which the owner would be required to repair within twenty-four (24) hours, MPHA will require adequate proof of repair for all life-threatening deficiencies within twenty-four (24) hours of notification.

If the reported condition is not life-threatening, MPHA will inspect the unit within fifteen (15) working days of notification.

22.6.1 Scope of Special Inspections

During a special inspection, MPHA will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If a regular inspection has been scheduled or is due within ninety (90) days of the date the special inspection is scheduled, MPHA may elect to conduct a full regular inspection.

22.6.2 Complaint Inspections (CI)

Complaint inspections may be requested by any party including the tenant, owner, MPHA staff, or concerned member of the public. The request must be submitted in writing.

Requests can be submitted by staff using the CI Scheduling Smartsheet form:

<https://app.smartsheet.com/b/form/52f44c77478646d7afea5e466ea050a9>

For help using the form. see the instructional video in the P:Drive.

Based on the nature of the complaint, different procedures are followed. Generally, a physical inspection will be scheduled by the inspector assigned to monitoring new requests, and a letter will be mailed and emailed, and the Smartsheet will be updated with the scheduled date.

Unless the requestor can be contacted for a sooner date, scheduling one (1) to two (2) weeks out generally provides enough time for a participant to receive the letter via mail and to arrange for someone who is over eighteen (18) years of age to be present to allow entry for the inspection.

22.6.3 24HR Emergency Complaint Inspections (EM)

Issues requiring correction within twenty-four (24) hours, such as loss of heat or utility services, are considered emergency items and are handled differently from standard complaint inspections.

Examples of 24-hour issues include, but are not limited to, the following (a complete list may be found in HUD HQS documentation):

- Sewage backup
- Appliances not in proper outlet
- Fire
- Heat must be at 68 degrees or above– 10/1-4/30
- Security issue – broken lock on exterior door, broken window
- No water to entire unit
- No gas
- Inoperable stove or refrigerator appliance
- Flooding/ major leaks
- No operable toilet in unit
- No electricity
- Structural damage in imminent danger of falling
- Gas leaks or fumes
- City cited life threatening issues (unit condemned)

- Electrical issues that can cause shock or fire
- Obstacles that prevent entry or exit of unit
- No hot water
- Broken glass where it can cause injury
- No working smoke or CO detector on each floor
- Inoperable Toilet if only one in unit

A 24hr complaint and a regular complaint should both come through the CI Scheduling SS. If any complaint is received directly, log it on the SS using the request form.

22.6.4 Emergency Complaint Processing Procedure

When the 24-hour checkbox is checked, the HQS Specialist will receive an automated Smartsheet notice of the 24hr complaint.

Upon receiving notification of a 24-hour issue, MPHA staff must generate a failed report in Voyager based on the complaint (Inspection Type: Complaint; Scheduled/Due Date: the date generating the letter; note the issue in the Scheduling notes; fill in Template details appropriately; Decision: Fail; Severity: Health & Safety Issues).

A 24-Hour Emergency Letter must be generated. The responsible party -generally the owner- must be contacted either by phone or email, because proof of repair is due to MPHA by the end of the next day.

The default method of communication is email, since the letter automatically is delivered by email and all vendors are required to have an email on file, except in rare circumstances.

Telephone communication is required only when no valid email address is available. A copy of the letter is delivered via email to both the owner/tenant when the letter is generated.

22.6.5 Scheduling Complaint Inspections

The HCV program does not schedule complaint inspections for CHR, Elliot, or Scattered Site properties. Public Housing (PH) residents must submit concerns through the Maintenance/Work Order process.

22.6.6 Complaint Review and Initial Screening

Pull up the CI Scheduling Smartsheet. Review the Complaint and identify whether there is a 24-hour issue, whether the entire complaint would fall under an auto-fail condition, or whether the entire complaint has no HQS basis. Mark the complaint appropriately in the Smartsheet. If auto fail:

- Create the failed inspection shell in Voyager;
- Schedule the reinspection; and
- Send the failed letter.

If no HQS Basis at all:

- Only follow this if there is absolutely no basis under HQS, even possibly. If there's question of it could be a valid issue, then schedule the inspection.
- If there's no question, then mark it as not HQS, and email the requestor to notify them their request does not fall under our standards and that it is not enforceable by our agency, so an inspection will not be scheduled.

22.6.7 Explanation and External Referrals

An issue that is not enforceable under HQS does not mean the concern is invalid; it only means MPHA cannot enforce corrective action through HQS inspection standards.

Depending on the nature of the issue, it may be appropriate to direct the requestor to the City via 3-1-1, as the City's Rental Inspections Department may have different enforcement criteria. In other cases, the matter may fall between the owner and tenant or may constitute a private legal issue.

Review the Inspection history in Voyager. Determine whether the reported issue has already been addressed in a recent inspection. If so, document the appropriate information in the CI Scheduling Smartsheet. If not, proceed with scheduling. Using the Inspection Listing report, assign an inspector and select an inspection date for the complaint inspection.

22.6.8 To Create the Inspection Shell in Voyager

From a previous inspection shell, click New.

Alternately, you can create inspections using the Add Inspection command:

1. On the Inspections Dashboard, click on Functions à Add Inspection
2. Inspection Entity will always be Unit. Fill in property and unit code (can click on blue text to search) (If you create the shell from a previous inspection – the property and unit will auto fill)
3. A blank inspection shell will pop up. Fill in Employee, Inspection Template, Type, Scheduled Date and Time and Scheduling notes from the Smartsheet. Click Save.
4. Once saved, note the Insp # and generate/mail the Scheduled Inspection letter.

Photos or other pertinent pictures/information from the complaint Smartsheet can be attached to the inspection attachments.

22.6.9 To Add an Attachment to An Inspection

1. Click Upload, select file, click save, then click Close.
2. Add to Outlook with "CI" as prefix.
3. Update Smartsheet with the scheduled date and inspector and click the Scheduled button.

22.6.10 CI Inspection Procedure

During a complaint inspection, only inspect the requested item(s), unless an emergency issue is identified. Other minor issues can be picked up and addressed at the next Annual Inspection.

If pass:

Complete the report in Voy. Reports should be entered no later than 2 business days after an inspection.

If fail:

Take photos of any egregious failed items or items that require further illustration than the just the text from the report. Complete the report in Voy. Create a reinspection 21-30 days in the future. Generate a Failed Inspection Letter and mail/email. Be sure to click the “Include on Portal” checkbox when generating the letter. Update Outlook.

If no entry:

If the complaint was requested by the tenant, but we get a no entry on the date of the inspection, we can assume the complaint is no longer an issue. Complete the report in Voy as Cancel and case note the no-entry. No further follow up is required.

Pest Control (Mice/Roaches) – A physical inspection is required to rule out tenant housekeeping issues. A 12-month pest control contract may also be required if the owner has failed to self-treat.

22.6.11 Complaint Reinspection

Complaint reinspection is completed similarly to Annual Reinspection. See Annual Reinspection (AR).

If proof is provided:

Pass the Reinspection report using the date the proof was received as the scheduled/completed dates. And update the Abatement Smartsheet for reinstatement

If proof is not provided:

Abatement begins on the date proof of repair was due. (See section on Abatement)

Update Smartsheet and authorize the row for Termination. The Termination date for 24 hr emergency issues is the end of the current month if the issue is discovered/failed CI is prior to the 15th, or the 15th of the following month if it's after the 15th. The HQS Specialist will send HQS Term letter and update the Abatement and HQS Term Smartsheet. Then it will follow the Term process regularly, albeit with an abbreviated end date if repairs aren't made/emergency issue addressed.

22.6.12 24hr Discovered During Annual or Complaint Inspection/Reinspection

If an emergency issue is identified during an in-person inspection, fail the item within the report as normal, but be sure to flag the 24hr as Health and Safety Issues under the Severity dropdown in the results tab. Then make a note in the results notes, that a 24hr issue was identified and will need to be resolved before any other issues.

Exception: If the 24hr issue identified is a utility shutoff, regardless of if its owner or tenant responsible, do not continue with the inspection. Fail the inspection with only the 24hr issue and continue the steps below. Since a utility shutoff will most likely affect many other things, we will have to redo the inspection fully once the 24hr is resolved to check those other items.

Go to the CI Scheduling Smartsheet and enter a request for the 24 hr issue. Check the 24 hr issue box. Do not continue with the rest of the normal process. Do not send the failed or abatement letter. The 24hr issue will take precedence, and if it resolved, the inspector could continue the process from there, by sending the letter and scheduling any needed reinspection once the 24hr issue is resolved.

The HQS Specialist will receive a notice from SS and send out the 24 hr letter per the process above.

If the 24hr issue is resolved, Inspection Supervisor will pass w/comment the reinspection for the 24hr, leaving the original failed items intact. They will email inspector to resume next steps, as if the inspection had just failed, and the inspector should send the appropriate letter (either failed inspection letter or abatement letter (starting for the pass w/ comment date to not overlap the 24hr abatement period), and schedule a reinspection using “create reinspection” from the pass w/ comment entry.

22.6.13 Deferred Item Reinspection (DIR)

Deferred Item Reinspection (a type of Extension) may be issued when repairs are identified but, due to the seasonal weather, cannot be completed at the time the deficiency is noted. Generally, these repairs are exterior in nature but could include items that need to be ordered. Each fall, a specific date for all inspectors will be agreed upon, and all DIR's will be issued for that date. DIRs should be scheduled beginning June 1 and completed by June 15, depending on the year.

For an AI/CI, create a reinspection and copy the inspection forward to the pre-determined DIR date. If it's a Move-in, you will need to create a new, separate inspection for the DIR (select Special Inspection Type). Generate and mail out the extension letter (noting the DIR) with a copy of the report showing the deferred item within 2 business days of failed inspection.

22.6.14 Add Unit to DIR Smartsheet

Exception: Due to the increased health concern of LPB with families with kids under 6 years old, rather than issuing a DIR for defective paint, in these cases, treat the situation as a regular extension. We want to keep these on our radars.

22.7 Inspection Results & Re-Inspections

If any HQS violations are identified, the owner will be notified of the deficiencies. MPHA will send a separate notification with the follow up date that repairs are due. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause.

MPHA will conduct a re-inspection within 21-30 days from date of failed inspection.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, MPHA will send a notice of abatement to the owner; in the case of family caused violations, notice of termination is sent to the family in accordance with MPHA policies. If MPHA cannot access the unit for two consecutive inspections, the family will be considered in violation of its obligation to provide access. This may result in termination of the family's assistance in accordance with the termination policies.

MPHA may determine that a re-inspection of the property does not need to be conducted if proof of repair of the HQS violation is received.

22.8 Quality Control Inspections

22.8.1 Quality Control Inspections

Each year, HUD requires a certain number of quality control inspections to be completed (We about 50 generally). These inspections are to ensure all inspectors are inspecting to the same standard. The QC inspections are spread throughout the year.

Universe	Minimum number of files or records to be sampled
50 or less	5
51-600	5 plus 1 for each 50 (or part of 50) over 50
601-2000	16 plus 1 for each 100 (or part of 100) over 600
Over 2000	30 plus 1 for each 200 (or part of 200) over 2000

We have about 5300 occupied units, so 5300-2000 leaves 3300. $3300/200 = 16.5$. Rounding, that gives us $30 + 17 = 47$. So, we do 50/year for the whole HCV Program (rounding).

The Head Inspector will complete the majority of the QC inspections, and the HQS Specialist will complete the portion of the Head Inspector's inspections.

To comply with SEMAP HQS Quality Control (QC) inspection guidelines, we need to reinspect a sample of units under contract during our most-recent fiscal year. We create these inspections in batches.

22.8.2 Scheduling QC Inspections

1. While on the PHA Inspections role, from the side menu, select Functions > Batch QC Inspections. The Batch QC Inspections screen appears.
2. In the QC Settings Code field, enter the code HCVHQSQC. In the QCs to Create in this Batch field, specify the number of QC inspections that you want to create.
3. In the Due Date field, pick a due date for a future date, after your expected schedule dates. For example, if I'm creating QCs for August, I'll pick 8/31/24. You'll use this chosen date to help filter for the right inspections when you send the batch inspection notice letters later.
4. Complete the Primary Status field by selecting Pass. You should be able to select more than one status, but when we select both Pass and Pass w/comment, it errors out. So just pick Pass.
5. Click Create QC Inspections.

In this example below, we created two QC inspections. These inspections appear in the Processed QC Inspections Details section. You can generate a report that shows the inspection details by clicking Report.

6. Click in each inspection to manually assign the inspections to the correct inspector on the desired date, or if you have created a large batch, you can use Mass Assignment function and for the letters. If you do, be sure to change the Inspection Type to QC and use the Due date you selected above.
7. Use the Tenant and Landlord batch inspection notice letters (Same as for the Annual Inspection Notices, except you'll specify QC inspections as the type, and use the due date you'd selected earlier.)

An MPHA supervisor or other qualified staff member will inspect a sample of units to evaluate inspector performance, ensure inspections comply with HQS, and confirm accuracy, completeness, and consistency in how HQS is applied.

The unit sample will include only units that have been inspected within the preceding 3 months. The selected sample will include:

- Each type of inspection (initial, annual, and special);
- Inspections completed by each inspector; and
- Units from a cross-section of neighborhoods.

22.9 Inspection Attendance

At the initial inspection of a unit, MPHA will inspect the unit in the presence of the owner or owner's representative. The assisted family cannot be the owner's representative. If the owner or their representative is not present for the initial Move-In Inspection, or if the unit is being occupied during time of scheduled inspection by any person other than the assisted family, the HCV Inspection will not be conducted.

Annual inspections will be conducted thereafter. An adult family member, the owner, or an owner's representative must be present for the inspection. If the family fails to correct tenant-caused damages or housekeeping violations, the family will be required to attend a non-disclosure appointment. If the family fails to attend the Non-Disclosure appointment or fails to correct the tenant-caused damages or housekeeping violation, MPHA will consider the family to have violated its obligation for keeping the unit in compliance with HQS and will take action to terminate the voucher. In either case, the notice of termination will provide the family the right to an informal hearing as referenced in Chapter 14.

22.10 Notification of Corrective Actions

When non-life-threatening issues are identified, MPHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the correction time frame. Per HUD regulations, no more than 30 days will be allowed for the correction.

If deficiencies are not corrected within the specified time frame (or approved extension), the owner's HAP will be abated in accordance MPHA policy.

Regarding tenant-caused deficiencies, the notice will state that if corrections are not made within the specified time frame (or approved extension) the family's assistance will be terminated in accordance with MPHA policy. Owners are still responsible for correcting non-housekeeping tenant-caused deficiencies, but may issue lease violations and/or charge the tenant for the corrections in accordance with state and local laws.

22.10.1 Extensions

Extensions will be granted in cases where MPHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available;
- A repair cannot be completed because of weather conditions; and
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis, but will not exceed 90 days, except for deferments due to weather conditions.

22.11 Enforcing Owner Compliance

22.11.1 Abatement

Abatement is a financial remedy the Housing Authority may employ when the HAP contract is not abided by. Abatement is used by Inspections when HQS violations are not remedied in the allotted time by owner. It is the forfeiture of daily HAP dollars, which continues until the unit is back in compliance or the HAP contract is terminated.

Abatement begins once a unit has failed a reinspection after a failed inspection (2 fails in a row), excluding move-in inspections.

Owner Response Date:

This is a set date for the owner to follow up with Inspections by, not a due date. Ideally, we want to establish communication with the owner to determine why the repairs were not completed on-time, and if necessary, issue any justified extensions. If we do not hear back by this date, or if there is not an acceptable reason repairs are not being completed, we will proceed with termination processes.

Timeline:

AI Fail [Failed Inspection Letter] (21-30 days) AR Fail [Abatement Letter] (2 weeks) Owner Response Date [HQS Term Letter] (Count 90 days from AR), then end of that month) HQS Term Date

Procedure:

1. Complete the inspection in Voy as a failed reinspection, send the abatement letter via mail and email when available – ideally send same day as, but no later than 2 business days past inspection date.

2. Place HAP on hold.

From the failed reinspection, click on Reports/Links and select PRH Tenant Hold. A hold window will pop up.

On the next screen Click Hold All Pending/Approved Payments radio button, add the template note below in Description and click save.

Verify that the correct unit/inspection is listed under Other Info tab, and that the correct tenant's name is listed under Resident Information. Ensure the correct tcode is listed (no bcode, gcode, etc.)

Change the Status from Pending to Approved and click save. The hold will not do anything unless the status is changed to approved. You also cannot make much in the way of changes once it's been approved, so be sure there are no errors before completing this step.

Template

ABATED [DATE1] FOR [REASON]. OWNER RESPONSE DATE [DATE2] OR HAP TERM [DATE3].

Owner Response Date: 2 weeks after failed AR

HAP Cancel Date/ HQS Term Date: Generally, end of the month, after 90 days out from abatement date.

Note: If an active hold of the same type already exists, the system may not allow you to enter a new hold. Be sure to note if you run into this on the Smartsheet comments.

New Change effective November 2023: Per BC, we now will term on December 31 if that's what the calculated term date would be. We are no longer avoiding the end of year holidays as a termination date.

3. Enter Abatement into Smartsheet

Smartsheet will send you a reminder for ongoing Abatement/HAP Cancellations on the Owner Response Date and the HQS Term Date. Inspections also use the Smartsheet to track all currently ongoing Abatements, so it is important to track them promptly.

Optional: Set additional reminders for owner response date and cancellation deadline in your Outlook.

4. Owner Responds, notifying Inspections that the repairs have been completed:

Owners will generally respond one of two ways, either with proof of repair attached or just a notification. It is up to the Inspector's discretion whether to accept any provided proof, or to insist on a physical reinspection.

a. *If passing inspection based on provided proof, then:*

Upload a copy of the provided proof to unit attachments with an accurate description (Ex: Pest Control Invoice, or Proof of Repair) and pass inspection report for the date all required proof was received or verified date of repair.

- b. *If the Inspector does not accept the provided proof, or no proof was provided, then:*

Set Reinspection Date and notify the owner so they can notify their tenant.

Reinspect Property

- i. If property passes inspection, complete the report in Voy and reinstate unit for the date Inspections was notified of repairs. This may mean you backdate the inspection scheduled/completed dates. Update Smartsheet for reinstatement/recoupment by updating status, reinstatement authorized by, date notified of repairs and cancel abatement/Term letter columns.
- ii. Send the cancel abatement letter if the reinstatement was prior to authorizing for term, or else send out the cancel term letter if a termination letter was previously sent.
- iii. If property fails inspection, Complete the report in Voy and send out fail letter/report.) The unit continues to be abated until owner contacts Inspections again for another reinspection. If the Owner response date has passed during this time, see HQS Term process.

If Owner does not respond by the owner response deadline: See [HQS Term](#) process.

22.11.2 HQS Term

HQS Term is exercised when the unit no longer meets HQS, possibly due to an owner not remedying HQS violations, or also when emergencies result in the unit no longer being habitable (Ex: Extensive Fire or Floods).

Update Smartsheet by updating Status and Termination Authorized by columns– ideally send same day, but no later than 2 business days past owner response deadline.

HQS Specialist Procedure:

1. Bring up Unit and go into last failed inspection to gather needed info/verify info in Smartsheet

You will need the inspection dates, the HQS term date and the Insp # for the most recent failed inspection.
2. Print Letter
 - a. Name: HQS Term Letter
 - b. In custom fields, enter dates from Smartsheet/Voy
3. Update Abatement Smartsheet and add the term data to the HQS Term Tracking SS.

Voyager will send the HCV tech and supervisor an automated request to initiate the term steps on their end.

4. If Term date arrives, and no communication/proof of repair has been received, the inspector will update Smartsheet status to 3 Reinstate/Recoup. Smartsheet will send update request to Admin/HQS Specialist to recoup abated funds.
5. HQS letter may prompt owner/tenant to act. If they respond before the termination date, repeat steps above to verify/reinstate an abatement. So long as the responsible party responds before the termination date, we can reinstate the unit and cancel the termination.
6. If the unit is reinstated so close to the termination date that the tenant has already submitted a RFTA for a new unit and passed the move-in inspection, they may still move if they want to.

22.11.3 Abatement - Recouping

Purpose:

Making sure Owners aren't paid for abatement period.

Procedure:

1. Pull up Tenant – make sure they're still active and in the unit. If it's gone to term, we can't convert the hold to an abatement until the subsidy is stopped. (Technically we can do the recoupment but we don't want to release the hold until the subsidy is stopped, and we find that if we leave the hold on, its 50-50 on if the tech will release it when they're done with their step -even if you make a specific explicit request to do so.)
2. Pull up the PRH tenant hold. Can be done from either the inspection or resident screen. From the top menu, click Convert to PRH Abatement.
3. Amend and abbreviate the Hold note to indicate if it termed or the date it was reinstated. We run right up against a max character limit with our abatement note template, so to add the reinstated X date to the note, you will need to delete a good amount of text.

Ex:

ABATED [DATE1] FOR [REASON]. OWNER RESPONSE DATE [DATE2] OR HAP TERM [DATE3].

Will change to

ABATED [DATE1] OWNER RESP [DATE2] OR TERM [DATE3]. REINSTATED [DATE4.]

Note: For counting days, count start date but put the end date the day prior to the reinstatement date of passed inspection, because the function is inclusive, and we want the owner to get HAP for the day the unit passes inspection.

4. Enter start and end dates (it's inclusive, so the end date should be the day prior to the reinstatement date if applicable, otherwise term date). Click Approve and Save.

Unfortunately, you cannot preview the amount abated prior to approving the abatement. So, if there are errors, you must reach out to HCV Management to enter a correction via a finance form or entirely cancel the abatement and start fresh. This creates a lot of transactions that can become confusing, so that's why it's preferred to do the finance form route.

5. Then save the Abatement Detail page, and note the total amount recouped on the Abatement Smartsheet. It does auto calculate, but if the abatement is more than 3 months, then you'll need to amend it.

[Note: it was discussed to remove the auto calc and total abated sections previously, but we just never got around to it. It predates Voyager, and at this point is more a point for confusion than anything else]

6. Update Smartsheet columns for Hold Released, Recoup Entered, Recoup Entered By, and HQS term Sheet updated columns appropriately.

You will not necessarily check all these boxes every time you process something. Doing anything in this step means you will fill out the Recoup Entered By section, but if there's no hold to release, then don't check the box (and make a note that it was the case in the row comments), and if the amount recouped was zero, then do not check the Recoup Entered box. Only check it if money was taken back. Again, only check the HQS Term sheet if there is data to have been updated. What exactly will need to be done will depend on the exact timing of the reinstatement vs. the overall process.

22.11.4 Lifting Abatements

Rarely, after repairs have been made and with Supervisor approval, an Inspector may determine there is reason to lift/remove an abatement for an owner entirely. This may be due to things outside an owner's control, a first-time owner courtesy, or other out of the ordinary circumstances. In this case, the recoupment of HAP will be lifted entirely and not taken back. As stated above, the unit must first be back in compliance.

Update Smartsheet. Enter a note in Smartsheet/ or include in the email to admin when reinstating the abatement, instructions that there will be no recoup and that all HAP should be released.

Cancel the PRH tenant hold or send an update request for the admin to do so.

22.11.5 To Reimburse Abatement

If we need to change or remove a posted recoup, a finance form will need to be filled out and turned into Management. She is the only person that can make changes directly to the subsidy schedule for the tenant. The form is available on the P:Drive under Rent Reform Forms. Be sure to clearly indicate this is a recoup and not a payment.

After two failed consecutive inspections, abatement will begin. Payment will resume effective on the day the unit passes inspection.

Proof of repair or documentation may be received by other means such as but not limited to; a fax or email sent containing a:

- receipt
- contract/invoice from a hired contractor
- pictures etc.

The acceptance of “corrective action documentation” is at the sole discretion of MPHA. Generally, the inspection approval is based upon either the date the documentation is received by inspections or the date of correction noted on the approved document, which is at the sole discretion of MPHA.

No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

During any abatement period the family continues to be responsible for their share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

22.11.6 HAP Contract Termination

If MPHA schedules a HAP contract termination, reasonable notice of 30 days calendar days is required.

If the HAP contract goes to termination, the HQS specialist will send the HQS Termination letter to the owner. HQS Specialist will notify the MPHA staff of the effective date of the contract termination, and reason for termination. Upon receipt of the notification MPHA staff will complete the following steps:

- Contact participant to notify them they will need to vacate the unit by the term date;
- Schedule the participant family for a briefing and voucher issuance; and
- Move the participant family out of the unit for the date of the HAP termination.

If an abated unit is reinstated and the family submitted a viable RTA prior to the unit being reinstated, the family may choose to move to the approved unit or withdraw the RTA and remain in the current unit. The owner will not receive any HAP that was recouped during the abatement. If the family chooses to stay in the unit past the term date, they will be unassisted by MPHA.

22.12 Enforcing Family Compliance

If a family is found to be responsible for damages or has housekeeping deficiencies which do not meet HQS, they will be required to attend a non-disclosure meeting. If the family fails to attend the Non-Disclosure or fails to correct the tenant-caused damages or housekeeping violation(s), MPHA will consider the family to have violated its Family Obligations. MPHA will take action to terminate the voucher.

MPHA will provide the family the right to an informal hearing. MPHA will not reimburse owners for the cost of damages (unless qualified through the Landlord Excellence Program referenced in section 19.2) or other unpaid amounts owed by the tenants under the lease. If the owner carries

out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair(s).

J - CONTRACT RENT

23.0 Contract Rent Determination

23.1 Payment Standards

MPHA's schedule of payment standards is used to calculate housing assistance payments for Housing Choice Voucher (HCV) families. MPHA will review the payment standards, at minimum, annually to ensure compliance with HUD's Fair Market Rents and budget capacity.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)."

The payment standard for a family is the lower of:

- The payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under MPHA's subsidy standards; or
- The payment standard for the size of the dwelling unit rented by the family.

If MPHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, MPHA will use the appropriate payment standard for the exception area.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, MPHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit.

23.1.1 Changes in Payment Standards

When MPHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

23.1.2 Decreases

If the amount on the payment standard schedule is decreased during the term of the HAP contract, MPHA is not required to reduce the payment standard amount used to calculate the subsidy for families under a HAP contract for as long as the HAP contract remains in effect.

23.1.3 Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination.

23.2 Rent Reasonableness Certification

Rent reasonableness certifications will be completed to ensure rents charged by landlords to MPHA participants are reasonable and comparable with at least three other similar units within two miles of the participant's current unit.

MPHA will determine the reasonable rent for a unit receiving assistance:

- At initial occupancy of the assisted unit;
- When MPHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- Whenever the owner requests a rent adjustment;
- When directed by HUD; and/or
- At any time deemed appropriate by MPHA.

Technicians will complete the following steps to process a rent reasonableness certification:

- Enter the proposed contract rent and unit information into an MPHA designated system and submit a search for three comparable units;
- Unit information such as unit type, utilities, and size must be entered accurately;
- The comparable units must be within two square miles of the participant's unit and be at least 90% similar;
- Comparable units must be the same unit type and size as the participant's unit;
- The adjusted rent amount for the comparable units must be equal to or less than the proposed rent for; and
- The participant's unit.

23.2.1 Approval or Denial of Contract Rent

If Go Section 8 finds three comparable the units, the contract rent will be approved and the MPHA staff will complete the appropriate processing steps.

If Go Section 8 cannot locate three comparable units, the contract rent will be denied and the landlord notified.

23.2.2 Owner Response to Rent Reasonableness Denial

Landlords will have the opportunity to respond to the rent reasonableness denial by submitting three comparable units of their own or submitting a new contract rent amount for approval.

The comparable units submitted by the property owner must meet the same requirements in regard to unit type, size, utilities and distance.

23.3 Rent and Utility Changes

23.3.1 Contract Rent Increases (CRI)

Landlords can increase the contract rent amount for a participant's unit as long as the increase is not before the end of the first 12 months of initial lease up and once every year thereafter. The landlord must provide the tenant and MPHA at least sixty (60)-day notice in writing of the increase, and the new rent amount must be determined reasonable.

23.3.2 Submission Methods and Deadlines

Landlords are responsible for submitting Sixty (60)-day rent increase notices to MPHA via the Contract Rent Increase Smartsheet until July 31, 2026. Effective January 5, 2026, landlords can submit their Contract Rent Increase via the Owners Portal.

August 1, 2026, all contracts rent increases will only be accepted via the Owners Portal.

If landlords fail to provide sixty (60)-day notice, the increase will be denied, and they must select a different effective date for the increase.

23.3.3 HCV Technician Processing Steps

If the owner provides the appropriate sixty (60)-day notice for a rent increase the HCV Technician will complete the following steps:

- Complete the rent reasonableness process using an MPHA designated system for the proposed rent amount;
- If the rent is not reasonable, notify the landlord and give them the opportunity to provide three currently advertised comparable units for similar units within two miles of the participant's unit;
- If the owner cannot provide comparable units and does not decrease the proposed rent amount, the contract rent increase will be denied;
- If the rent is determined reasonable, the MPHA staff will complete an interim using the income last reported by the participant and update the rent amount;
- If the increase corresponds with the annual recertification, the rent increase will be processed as an annual;
- If the family has not submitted all necessary paperwork to complete their annual recertification within the required timeframe, the HCV Technician will process the annual recertification "as is" using the income on file and update the record with the new rent amount;
- If the family provides the necessary documents, prior to the termination date, an interim will be run with the new information;
- If the family's portion increases, a Repayment Agreement will be entered into to cover the overpayment of HAP; and

- MPHA staff will mail, email, or attach to the Owner Portal rent notification letters to notify the participant and landlord that the change has been accepted and of the new rent portions.

A new HAP Contract is not required for contract rent increases.

23.3.4 Utility Responsibility Change

Utility responsibility changes must be reported to MPHA by the landlord and follow the same sixty (60)-day notice guideline.

Utility responsibility changes may impact the rent portion paid by MPHA and the participant, which is why it is important to report these changes.

After a landlord submits a utility responsibility change, MPHA staff will follow these steps:

- Update the participant's unit file to reflect the new utility responsibility;
- An interim will need to be completed to update the Utility Allowance Payment (UAP) for the participant; and
- After the action is completed, the MPHA staff will mail notification letters to the landlord and participant reflecting the new rent portions.

If a utility change is submitted by a property owner, the HCV Technician must create a new HAP Contract and have it signed by the property owner and the HCV Technician.

K - HAP CONTRACT ADMINISTRATION

24.0 CONTRACT ADMINISTRATION

24.1 Overview

The HAP contract represents a written agreement between MPHA, and the owner of the dwelling unit occupied by an HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as MPHA's obligations. Under the HAP contract, MPHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit. The HAP contract is used for all HCV program tenancies.

If MPHA has given approval for a family to begin tenancy in a unit, the owner and MPHA must execute the HAP contract.

24.2 HAP Contract Contents

The HAP contract format is required by HUD, specifically the Housing Assistance Payment (HAP) Contract, Form HUD-52641. All assistance programs with MPHA utilize a HAP contract, even if the program is not a HUD funded program. For those programs, the contract contents remain the same as what is listed in this section.

24.2.1 Structure of the HAP Contract

Part A:

The contract includes basic contract information about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of the initial lease term, amount of initial monthly rent to the owner, amount of initial housing assistance payment, utilities, and appliances to be supplied by the owner and the tenant, and signatures of MPHA and the owner [HCV Guidebook, pp 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract that prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. PHA policy on the amount of security deposit an owner may collect is found in Chapter 9.

In addition, PHAs have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner).

Part B:

This part is the body of the contract. It describes in detail program requirements affecting the owner and the owner's roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit;

- Maintenance, Utilities, and Other Services;
- Term of HAP Contract;
- Provision and Payment of Utilities and Appliances;
- Rent to Owner: Reasonable Rent;
- PHA Payment to Owner;
- Prohibition of Discrimination;
- Owner's Breach of HAP Contract;
- PHA and HUD Access to Premises and Owner's Records;
- Exclusion of Third-Party Rights;
- Conflict of Interest;
- Assignment of the HAP Contract;
- Written Notices; and
- Entire Agreement Interpretation.

Part C:

This part of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by MPHA. The owner must sign the HUD Tenancy Addendum, and it must be added to the lease. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

24.3 Contract Activation

HAP contracts will be activated after a unit has been approved for tenancy by MPHA and meets all the requirements for unit eligibility. MPHA will generate a HAP contract with beginning terms concurrent with the lease signed by the tenant and owner. The end date of the HAP contract must be the last day of the month. HAP contracts will not be activated until they are signed by both the owner and MPHA. Housing assistance payments will be placed on hold until a HAP contract is returned to MPHA fully executed and signed by the owner within 60 days of the activation date.

HAP contracts will remain active for a unit until the tenant currently residing in the unit decides to move to a new unit or the terms of the lease are changed by the owner in such a way that requires a new HAP contract to be issued. Those terms are identified in the HAP contract.

Changes to the lease terms must be submitted to MPHA and agreed to by the tenant. Changes in rent amounts or utility assignments for the assisted unit must be approved by MPHA prior to going into effect.

24.4 Breach of HAP Contract

Any of the following actions by the owner constitute a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract, including failure to maintain the unit in accordance with HQS;
- If the owner has violated any obligation under any other HAP contract under Section 8;
- If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- If the owner has failed to comply with the regulations for the applicable program;
- If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with the mortgage or loan for any project with a mortgage insured by HUD or loans made by HUD;
- If the owner has engaged in drug-related criminal activity; and
- If the owner has committed any violent criminal activity.

If MPHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

MPHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment, or termination of the HAP contract. MPHA may also obtain additional relief by judicial order or action.

MPHA must notify the owner of its determination and provide written notice stating the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. MPHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

If relevant, MPHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, MPHA will consider all of the relevant factors, including the seriousness of the breach, the effect on the family, the owner's record of compliance, and the number and seriousness of any prior HAP contract violations.

24.5 Contract Termination

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;

- The lease expires;
- The PHA terminates the HAP contract;
- The PHA terminates assistance for the family;
- The family moves from the assisted unit;
- One hundred eighty (180) calendar days have elapsed since the PHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the PHA;
- The Annual Contributions Contract (ACC) between the PHA and HUD expires; and
- The PHA elects to terminate the HAP contract.

MPHA may elect to terminate the HAP contract in any of the following situations:

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
- The unit does not meet HQS size requirements due to a change in family composition [24 CFR 982.403];
- The unit does not meet HQS [24 CFR 982.404];
- The family breaks up [HUD Form 52641];
- The owner breaches the HAP contract [24 CFR 982.453(b)];
- The owner fails to maintain a current rental license; and
- The owner's rental unit is foreclosed.

24.5.1 Foreclosure-Related Termination

If a unit has gone through the foreclosure process and the new owner will occupy the unit as a primary residence and has provided the tenant with a notice to vacate at least ninety (90) days before the effective date of such notice [Protecting Tenants from Foreclosure Act of 2009].

24.5.2 Notice Requirements and Payment Recoupment

If MPHA terminates the HAP contract, MPHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4]. MPHA may recoup any payments made for the unit after the effective date of the termination.

In most cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which MPHA gives written notice to the owner. The owner is not entitled to any

housing assistance payment after this period and must return to MPHA any housing assistance payment received after this period.

24.5.3 Family Moves and Requirement for a New HAP Contract

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract is required [HCV GB, p. 11-17].

L – Project Based Voucher PROGRAM Administration

25.0 Project-Based Voucher Program Overview

Project-Based Vouchers (PBV) and related program are among the most effective tools MPHA has to help build and sustain new deeply affordable housing units in Minneapolis. The program provides a long-term source of revenue to developers through federal housing subsidies and access to a pool of potential residents from MPHA's Housing Choice Voucher waiting list. The PBV program is a HUD-funded housing subsidy program that ties federal rental assistance directly to a specific unit.

This differs from the traditional tenant-based Housing Choice Voucher (HCV) program, in which the subsidy is connected to an eligible household.

The following programs operate under the umbrella of MPHA's Project-Based Voucher program: Moderate Rehabilitation (MOD), Single Room Occupancy (SRO), and Sponsor-Based programs. Unless otherwise specified, the policies contained in this section of the operating procedures should be considered applicable to all such programs.

25.1 Household Eligibility and Assistance Structure

Eligible households receive rental assistance by agreeing to live in existing, newly constructed, or rehabilitated PBV units. The households continue to receive assistance if they maintain their program eligibility and reside in the specific project-based dwelling unit

The Project-Based Voucher (PBV) or other project-based assistance remains with the original unit and does not transfer with the household. PBVs are not portable vouchers and may not be used in a tenant-based format. If a household vacates the PBV unit for any reason, the subsidy stays with the unit and continues to be administered in accordance with program requirements. For the tenant, PBVs alleviate the participant's burden of independently accessing a housing subsidy and instead create a pipeline of subsidy-ready units across the city for qualifying families and individuals.

25.2 PBV to HCV Waitlist

Families who have lived in a Project-Based Voucher (PBV), MOD, and SRO units for at least twelve (12) months may request to be placed on the Choice Mobility Waitlist, also referred to as the "PBV to HCV Waitlist," in order to be considered for a tenant-based HCV when one becomes available. Households residing in Sponsor-Based units do not have the right to request to be placed on the PBV to HCV Waitlist.

Anytime MPHA pulls households from its HCV waitlists, other than for the purposes of enrolling households in the Community Choice Demonstration, 20% of the total households pulled from the lists will be pulled from the PBV to HCV Waitlist.

To be placed on the PBV to HCV waitlist, a household must complete a PBV to HCV Waitlist Request Form and submit it to MPHA. Requests will be accepted prior to the family completing one year (12 months) in their PBV unit. Households must be in good standing with the PBV program and all applicable requirements in order to be added to the list. There is no guaranteed

timeline for when households will be selected from the waitlist. Being added to the PBV to HCV Waitlist does not automatically entitle a participant to a tenant-based voucher when they move.

25.3 Eligible Populations for PBV

Eligibility for Project-Based Vouchers (PBVs) is initially determined at the property level. Properties screen applicants based on the eligible populations outlined in the Housing Assistance Payments (HAP) Contract and make an initial determination of eligibility. Referrals for qualified applicants are then forwarded to MPHA staff for final HUD compliance review and eligibility assessment.

25.3.1 HUD-VASH Referrals

HUD VASH participants can only be referred by the Department of Veterans Affairs (VA) to a property with HUD-VASH-designated PBV units. Properties can screen HUD VASH participants in the same manner as non-HUD VASH participants, provided the referral originated with the VA.

25.3.2 Property-Level Priority Populations

Properties have the discretion to serve populations facing significant barriers to housing, provided that such decisions do not contradict the property's Housing Assistance Payment Contract or negatively impact MPHA's ability to achieve its goals. Each property may establish specific eligibility criteria for individuals or families to qualify for residence in Project-Based Voucher (PBV) communities. Populations that may be prioritized at the property level, prior to referral to MPHA, include but are not limited to:

- Individuals or families who have experienced, or are at risk of, homelessness;
- Individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Individuals at high risk of housing instability;
- Individuals with mental or physical disabilities;
- Individuals living with HIV;
- Individuals recently released from incarceration;
- Youth aging out of foster care;
- Families involved with child protection services; and
- Veterans eligible for Veteran Assisted Supported Housing (VASH).

25.4 Vacate Process for PBV Participants

Project-Based Voucher (PBV) participants who wish to vacate their unit must notify their property manager directly. The property manager is responsible for submitting the Notice to Vacate to MPHA on the participant's behalf and through the official process determined by MPHA. Property managers are required to provide MPHA with a minimum of sixty (60) days' notice when a participant plans to vacate a unit whenever possible. If a participant vacates without providing

notice (“skips”), the property manager must notify MPHA as soon as they become aware that the participant has left the unit.

25.5 Sponsor Based Units

Sponsor-Based Units are Project-Based Units that provide supportive services and serve specific populations. These properties are reimbursed a flat rate by MPHA based on occupied units, as specified in the program’s contract with MPHA, and participant rents are determined at the property level. Generally speaking, MPHA will not communicate with residents of sponsor-based units about things such as annual recertifications or rent amounts. As of the date of drafting of these operating procedures, the one exception to this policy is the sponsor-based program at Hook and Ladder apartments. MPHA does calculate the tenant portion for participants in this program and will communicate such determinations to those households.

25.6 Inspection Processes in Project-Based Programs

Inspection processes for project-based programs will follow the policies outlined in the Unit Eligibility section of these operating procedures, other than in the following stances or situations:

- PBV units owned and/or managed by MPHA will be inspected by the department that manages the property rather than by HCV Inspections staff;
- MPHA may, at its sole discretion, allow other project-based voucher properties to conduct their owner inspections. MPHA granting this exception is exceedingly rare and will only be granted to properties with exceptional inspection history; and
- Prior to MPHA executing a HAP contract with a property containing project-based units, MPHA will inspect all units covered by the HAP contract. This inspection can be used as the initial inspection for the first household to move into that unit.

25.7 Participant Income and Rent Calculations

Unless otherwise specified, income and rent calculations for project-based program participants will follow the standard HCV income and rent calculation policies outlined in these operating procedures.

25.8 Alternative Policies for MPHA-Owned/Managed PBVs

To account for the unique challenges and opportunities created by MPHA’s property management and HCV departments sharing one database, MPHA’s HCV department may amend procedures or design alternative policies for residents residing in PBV units owned or managed by MPHA.

26.0 Project Based Voucher Contracts Process and Administration

26.1 Request for Proposals

On a schedule determined by the agency, MPHA solicits proposals from property owners and developers interested in receiving PBV rental assistance. MPHA’s RFP process is permitted under the agency’s MTW authority and plan.

RFP criteria includes, but is not limited to the evaluation of the following:

- Project summary and narrative description;
- Unit configuration;
- project drawings;
- Letters of financial support;
- Tenant screening and supportive services;
- Financial feasibility;
- Project team and background / experience; and
- Neighborhood characteristics and context.

26.2 Developer Eligibility

MPHA evaluates developer eligibility at the time of Request for Proposals (RFP) review. For new and emerging developers, eligibility is determined based on the information provided in the RFP application. For current developers, eligibility is assessed based on prior experience in the affordable housing sector and MPHA's previous experience working with the developer.

In evaluating developer eligibility, MPHA will consider the following:

- Performance from award through AHAP contract execution: Ability to secure full project financing within two (2) years of the MPHA award; demonstrated understanding of applicable regulations, timelines, requirements, and overall process flow;
- Performance from project start through HAP contract execution: Timeliness and quality of communication with MPHA; submission of all required documentation; and proactive communication regarding any anticipated changes to project timelines;
- Property management – regulatory compliance: Effectiveness in processing referrals; understanding of MPHA eligibility requirements; and compliance with PBV unit vacancy and leasing requirements; and
- Property management – building operations: Maintenance of safe and habitable units; HQS inspection outcomes; management of PBV units in abatement; and overall upkeep and maintenance of the property.

26.3 PBV Housing Assistance Payment (HAP) Contract Administration

26.3.1 PBV HAP Contracts

There are two types of PBV HAP Contracts:

- Existing Housing
- New Construction and Rehabilitation

All PBV HAP Contracts have an initial term of one (1) to twenty (20) years, with the option to extend the contract in accordance with the policies outlined in these operating procedures.

New Construction and Rehabilitation PBV HAP contracts may be executed as either single-stage or multiple staged contracts.

26.3.2 PBV HAP Contract Structure

PBV HAP Contracts have two (2) parts:

Part 1 of the PBV HAP contract includes:

- Contract information
- Identification of the parties
- Contents of Contract
- Contract Exhibits:
 - Exhibit A – List of units covered by the contract, description, and initial rent to owner
 - Exhibit B – Services, maintenance, and equipment provided by the owner and included in rent
 - Exhibit C – Utilities, including description and responsibility for payments (included in rent or paid by the tenant)
 - Exhibit D – List of units with features provided to comply with Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8
- Additional Exhibits (when applicable):
 - Exhibit E - Contract Effective date
 - Exhibit F - Term of HAP contract
 - Exhibit G - Occupancy and payment
 - Exhibit H - Income-mixing requirement
 - Exhibit I - Execution of HAP contract

Part 2 of the PBV HAP contract includes the following HUD-required provisions:

- Definitions
- Purpose
- Rent to owner
- HAP
- Adjustment of rent to owner

- Owner responsibilities
- Owner certifications
- Condition of units
- Leasing of contract units
- Tenancy
- Family right to move
- Overcrowded, under-occupied, and accessible units
- Prohibition of discrimination
- PHA default and HUD remedies
- Owner default and PHA remedies
- Owner duty to provide information and access required by HUD or the PHA
- PHA and owner relationship to third parties
- PHA-owned units
- Conflict of interest
- Exclusion from federal programs
- Transfer of the contract or property
- Subsidy layering
- Owner lobbying certifications
- Termination of HAP contract for wrongful selection of contract units
- Notices and owner certifications
- Notice of termination of expiration without extension
- Family's right to remain
- Entire agreement
- Interpretation

26.3.3 PBV HAP Contract Extensions

PBV HAP contracts may be extended in five (5)-year increments for up to a total of forty (40) years from the initial HAP contract effective date. MPHA will offer PBV HAP Contract Extensions beyond five (5) years when the following guidelines are met:

- At least 80% of move-in inspections conducted in the past two (2) years in the property have passed;
- The property has maintained and/or updated major mechanical systems during the initial HAP Contract term or any prior HAP contract extension, including water heaters, boilers, roofs, etc.;
- A demonstrated history of timely completion of repairs required by MPHA's inspection standards;
- A special inspection is conducted to assess the overall condition of property, including inspection of randomly selected sample of units. A written status report of Special Inspection will be submitted for review;
- The property owner has demonstrated general compliance with MPHA policies and maintained a positive and cooperative working relationship with MPHA;
- The property has maintained an average occupancy rate of ninety percent (90%) or greater over the previous two (2) years; and
- Extenuating circumstances may be considered on case-by-case basis.

HCV Management will review requests for PBV HAP contract extension, taking into consideration the above identified criteria, and will make a recommendation regarding the appropriate length of HAP contract extension.

26.3.4 Prolonged Vacancies

Section 9.b.4 of Part 2 of PBV HAP Contract addresses vacancies of one hundred twenty (120) days or more and states that the PHA may amend the HAP contract to reduce the number of contract units when such vacancies occur.

MPHA will work with its housing partners to minimize vacancies for any unreasonable period of time. If any contract units have been vacant for ninety (90) consecutive days or more, MPHA will provide written notice to the owner that the HAP contract may be amended to reduce the number of contract units if the unit is not leased to an eligible participant before the unit is vacant for 120 consecutive days.

26.3.5 Notice and Contract Amendment Process

MPHA will provide written notice to the owner within ten (10) business days following the one hundred twentieth (120th) day of the vacancy if it intends to withdraw the unit from the HAP contract.

The amendment to the HAP contract will be effective the first (1st) day of the month following the date of MPHA's notice and will follow the procedures outlined in the HCV Operating Procedures.

26.4 Contract Rent Increases (CRIs) in Project-Based Programs

Unlike contract rent increases in tenant-based HCV programs, CRIs in project-based properties will be applied to all units covered by the property's HAP contract at the same time, even if the current tenant in a unit has lived in the unit for less than twelve (12) months.

Property managers may request a Contract Rent Increase (CRI) once each year, effective on the first day of the month, one year from the effective date of the HAP contract. All CRI requests are reviewed by the MPHA Program Manager or Contract Administrator. CRIs must be submitted no fewer than 60 days and no more than 90 days prior to their desired effective date using the approved submission method.

M - QUALITY CONTROL & PERFORMANCE INDICATORS

27.0 QUALITY CONTROL AND PERFORMANCE

27.1 Overview

MPHA will maintain and implement mechanisms to control the quality of the work performed for its voucher programs, to evaluate current procedures and policies, and to monitor and evaluate employee performance at both the individual and departmental levels.

27.2 Quality Control Audit Process

The purpose of the quality control audit process is to assure that the MPHA voucher programs are submitting a high level of accuracy in form 50058 reports to the HUD data systems, correctly allocating public assistance subsidies, and monitoring employee performance.

The Quality and Technical Specialist (QT) will conduct monthly quality control reviews of files completed by MPHA staff during each review period. The audit findings will be distributed to MPHA staff. MPHA staff will correct all rent and income calculation errors. A random selection of lease ups and annual reexaminations files for each MPHA staff member will be reviewed.

27.2.1 Audit Review Indicators

The quality control audit's focus is on specific performance indicators, including but not limited to:

- Income Calculation;
- Rent Calculation;
- Voucher Size;
- Income Verification;
- Rent Reasonableness;
- Presence of a Signed HAP contract; and
- If the Annual/Move-In HQS inspection is completed.

Files are scored by the number of errors discovered during the file audit. The indicators reviewed for each file are split into two categories; Critical and Clerical indicators:

- Rent Calculation;
- Income Calculation;
- Rent Reasonableness; and
- Executed HAP Contract.

Clerical indicators include:

- Income Verification;
- Zero Income Form;
- Completed application;
- Completed Case Note;
- Calculation documentation; and
- Current Phone and Email.

Point deductions and scoring criteria will be available for staff review and will be provided to staff along with the audit results. Corrective actions will be required, as applicable, based on audit findings.

27.3 HCV Staff Evaluation Metrics

HCV will institute quality control metrics, including average processing accuracy score. The department will implement quality control and monitoring processes in order to ensure staff meet these metrics.

N – Special Programs

28.0 HCV Special Purpose Vouchers

28.1 Emergency Housing Vouchers (EHV)

The Emergency Housing Voucher (EHV) Program was established under the American Rescue Plan Act of 2021 to support long-term housing stability in response to the national public health emergency. MPHA implemented the program in 2021 and continues to administer its allocation in accordance with HUD requirements and established administrative procedures.

EHVs operate as tenant-based Housing Choice Vouchers and are administered using standard HCV regulations, supplemented by EHV-specific guidance issued by HUD.

MPHA maintains the EHV Program as an ongoing component of its Special Allocations portfolio, ensuring consistent oversight, effective utilization, and continued alignment with federal program requirements.

28.1.1 Target Population/ Program Eligibility

In addition to standard HCV eligibility requirements, only those households referred to MPHA by the Hennepin County Continuum of Care Coordinated Entry System are eligible for participation in the EHV program.

These households must also meet at least one of the following criteria:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; and
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or reduce a high risk of housing instability.

HUD has mandated that PHAs may not deny an EHV applicant household falling into any of the following categories:

- Any member of the family has been evicted from federally assisted housing or the PHA has ever terminated assistance for any household member, except in regard to production of methamphetamine on the premises of federally assisted housing;
- The family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act;
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family breached an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA;

- The family would otherwise be prohibited admission under alcohol abuse standards established by the PHA in accordance with §982.553(a)(3); and
- The PHA determines that any household member is currently engaged in or has engaged in during a reasonable time before the admission, drug-related criminal activity, except in regard to production of methamphetamine on the premises of federally assisted housing.

28.1.2 Referral Process

Verification by an approved referring partner is required. Referrals are only accepted when MPHA is accepting referrals from the Hennepin County Coordinated Entry Team, subject to MPHA discretion.

28.1.3 Service Model

Case management is coordinated through MPHA staff, the Hennepin County Coordinated Entry Team, and the referring Human Services Case Manager. Ongoing case management will be provided by the case management provider for up to one year after initial lease up.

28.1.4 Exceptions to Standard HCV Procedures for EHV Households

The following exceptions to standard HCV operating procedures are made in regard to participants in the EHV program:

- The Residency Preference as described in these Operations Procedures does not apply to EHV participant households;
- Emergency Housing Voucher (EHV) households are provided an initial leasing period to ensure they have adequate time and flexibility to secure housing that meets their accessibility needs and other required accommodations. The initial leasing period may be up to 12 months but can be shorter based on the household's circumstances, preferences, or unit requirements;
- Emergency Housing Voucher (EHV) households may exercise portability immediately upon voucher issuance. EHV participants are not required to reside in the City of Minneapolis for one year before porting their voucher; and
- EHV households are not required to port their voucher into the Metropolitan Council's jurisdiction in order to utilize their assistance. Participants may port their voucher to any receiving PHA willing to administer the assistance within the Metro jurisdiction.

28.2 Foster Youth to Independence (FYI)

Foster Youth to Independence Vouchers provide housing assistance to youth aging out of foster care through a time-limited subsidy. Referrals are accepted by MPHA from Hennepin County, the entity that serves as the local Public Child Welfare Agency. Case management is provided by third party services providers and coordinated by Hennepin County.

28.2.1 Eligible Population

Eligible youth must meet the following HUD FYI eligibility requirements:

- Be between the ages of 18 and 24; and

- Expected to exit foster care within the next 90 days and are homeless or at risk of homelessness.

Note that MPHA relies on certifications provided by Hennepin County to verify history of foster care and homelessness status.

28.2.2 Length of Assistance

FYI participants may receive up to 36 months of housing assistance, with the option for a 24-month extension under specific circumstances.

28.3 Veteran Affairs Supportive Housing (VASH)

The HUD Veterans Affairs Supportive Housing (HUD-VASH or VASH) Program is a special purpose Housing Choice Voucher (HCV) program jointly administered by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Veterans Affairs (VA). Established to address veteran homelessness, the program combines permanent rental assistance with intensive clinical and supportive services provided by the VA.

HUD-VASH provides eligible veterans and their families with access to safe, stable, and affordable housing through both tenant-based vouchers and designated project-based units. The VA delivers comprehensive case management and supportive services designed to promote housing stability, recovery, and long-term self-sufficiency, while MPHA administers the housing subsidy and related administrative functions in accordance with HUD requirements.

28.3.1 Eligible Population

The VASH Program provides housing assistance to eligible veterans and their families who are experiencing homelessness. For the purposes of VASH, a veteran is a person whose length of service in the active military, naval, or air service meets statutory requirements, and who was discharged or released under conditions other than dishonorable.

To participate in the HUD-VASH Program, veterans must meet the following criteria:

- Be determined by the Veterans Affairs Medical Center (VAMC) to meet HUD-VASH homelessness eligibility criteria;
- Be eligible for VA health care;
- Require case management to obtain and sustain independent housing in the community; and
- Agree to participate in the case management component of the program.

The VAMC is responsible for screening homeless veterans for HUD-VASH eligibility. Eligible veterans who agree to participate in case management are referred to MPHA for a HUD-VASH voucher. MPHA then evaluates the applicant for program eligibility, including income eligibility, and conducts a lifetime sex offender registration screening in accordance with HUD regulations and MPHA policy.

28.3.2 Referral Process

Referrals for the HUD-VASH Program are initiated exclusively by the U.S. Department of Veterans Affairs (VA). MPHA does not accept direct applications or walk-in requests for HUD VASH assistance. All referrals must be submitted to MPHA through the RentCafé system in alignment with the voucher allocation established by HUD and assigned to the VA.

When the program is accepting referrals, the VA Community Resource and Referral Center (CRRC) are responsible for assessing veterans, determining program suitability, and submitting the formal referral to MPHA through the designated RentCafé portal. Veterans who present directly to MPHA or any other community entity are redirected to the CRRC for assessment and referral. MPHA processes only those referrals submitted by the CRRC through the established referral system.

If MPHA has available HUD-VASH openings, the CRRC will identify and refer veterans based on VA screening, service readiness, and case management availability. MPHA will initiate voucher administration only after receiving the official referral from the CRRC.

The HUD-VASH program combines rental assistance with supportive services to help veterans achieve long-term housing stability and independence. This integrated model ensures that housing resources and supportive services are coordinated to meet the unique needs of each veteran household.

28.3.3 Service Model

The HUD-VASH Program operates through a coordinated service model that integrates permanent rental assistance with comprehensive clinical and supportive services. Under this model, the U.S. Department of Veterans Affairs (VA) is responsible for referring eligible veterans to the program and providing ongoing case management and supportive services. These services are delivered through VA Medical Centers (VAMCs), VA designated service providers (DSPs), or contracted community partners, and may include clinical assessment, treatment coordination, mental health and substance use services, crisis intervention, and ongoing housing stabilization support.

Public Housing Agencies (PHAs), including MPHA, administer the HUD-VASH vouchers at the local level. PHAs are responsible for determining housing eligibility, issuing vouchers, conducting Housing Quality Standards (HQS) inspections, executing Housing Assistance Payment (HAP) contracts, and managing ongoing subsidy administration in accordance with HUD regulations and HUD-VASH program requirements.

This combined service model, with VA-led clinical support paired with PHA-administered rental assistance, ensures that participating veterans receive both the housing subsidy and the supportive services needed to achieve and maintain long-term housing stability.

28.4 Family Unification Program (FUP)

Family Unification Program (FUP) vouchers are available to families for whom inadequate housing is a primary factor contributing to their involvement with Hennepin County Child Protection Services. There is no time limit on FUP vouchers issued to eligible families.

28.4.1 Target Population Served

The Family Unification Program (FUP) provides housing assistance to families involved with child protection services when inadequate housing is a primary factor affecting family stability. Families are eligible when the lack of adequate housing either poses a risk of imminent placement of the child or children into out-of-home care or delays the discharge of a child or children from out-of-home care back to the family. The program supports families in maintaining or regaining custody of their children by addressing housing barriers and promoting safe, sustainable living arrangements.

28.4.2 Referral Process

The program is a partnership between MPHA and the Hennepin County Coordinated Entry Team. MPHA administers the vouchers, with case management and support from child welfare agencies. Referrals must be received from the Hennepin County Coordinated Entry Team.

28.4.3 Length of Assistance for FUP Youth

FUP Youth (FUPY) are eligible for housing assistance for a maximum of 36 months, as limited by statute. Supportive services must be provided to FUP-eligible youth by the Public Child Welfare Agency (PCWA) or by another agency or organization under contract with the PCWA. These services are required for a minimum of 18 months and may continue for up to the full 36 months of housing assistance to support youth in achieving stability and independence.

28.5 Mainstream

Mainstream vouchers provide housing assistance to non-elderly persons with disabilities and their families through tenant-based voucher assistance. Mainstream vouchers follow the same requirements as standard Housing Choice Vouchers. MPHA does not have special authority to treat families receiving a Mainstream voucher differently from other applicants or participants. For example, payment standards, portability conditions, and screening criteria must be applied consistently with those used for all other voucher holders.

28.5.1 Target Population Served

Mainstream vouchers serve individuals and families who are non-elderly, ages 18 to 62, and have a disability. Eligible participants include those transitioning out of an institutional or other segregated setting, those at serious risk of institutionalization, or those who are homeless or at risk of becoming homeless. Referrals must come from the Hennepin County Coordinated Entry Team or another designated service provider. All participants are subject to the same eligibility requirements, screening criteria, and program rules as standard voucher holders.

28.5.2 Referral Process

Referrals are generally accepted from the Hennepin County Coordinated Entry system, and may be accepted from other service providers as MPHA deems it necessary or useful in meeting the goals of utilizing all available vouchers and reaching a diverse pool of eligible applicants.

29.0 Stable Homes Stable Schools

Stable Homes Stable Schools (SHSS) is a collaborative program administered by MPHA in partnership with Minneapolis Public Schools, and a Service Provider (Historically, the YMCA of the North). There are two parts of the SHSS program, Housing Placement & Support and Housing Stabilization, funded by a mix of Pohlad Foundation grant funds, city funding, MPHA

funds, and Minnesota Housing Finance Agency via Homework Starts with Home funds, and Local Homeless Prevention Aid (LHPA) funds. Program funders can and will change from time to time.

Specific program manuals available upon request.

29.1 Target Population Served

Families that qualify for the program must have a child enrolled in one of the Minneapolis Public Schools selected for participation due to having the largest populations of students experiencing homelessness and poverty. Families must meet program eligibility criteria for assistance and may be denied if criteria are not met.

Housing Placement & Support: (formerly the Rental Assistance Program) supports families for 36 months, with an option to extend participation based on individual family circumstances.

The goal of the SHSS Housing Placement & Support program is to improve the overall educational outcomes of students attending any of the previously identified schools by providing a maximum of three years of funding and resources to stabilize families experiencing homelessness. Participating families are not given a voucher for program participation.

School social workers will pre-screen families to assess if the family qualifies for the Housing Placement & Support program. If it is determined that the family may qualify, the school social worker will then complete an online referral form that is submitted to the MPHA Community Service Coordinators via Smartsheet. A Community Service Coordinator will meet with the family and make the final determination of eligibility and subsidy size.

The YMCA of the North will provide ongoing case management services to families approved for Phase One of the program. Although some families may not qualify, MPHA and its partners are committed to assisting families with direction to other local resources and assistance available. Participating families must maintain school enrollment within their referring school, unless MPS approves an exception to transfer to another SHSS Housing Placement & Support participating school.

Eligibility Documents for Housing Placement & Support:

- SHSS Parent Release of Information
- SHSS Rental Assistance Application
- Housing Search Intention Form (if at a non-magnet school)
- Minneapolis Public Schools (MPS) Services Agreement
- Vital Documents (birth certificates, Social Security cards, photo IDs, etc.)
- Income verifications (wages, TANF/MFIP, child support, Social Security, etc.)

SHSS does not have the resources to serve every household enrolled in the participating Minneapolis Public Schools. The program will choose families for participation according to standards of both eligibility and suitability set forth below in this section and in following sections.

29.2 Eligibility Criteria

For a household to be eligible for SHSS Housing Placement & Support, MPHA and its partners must conclude that it meets the following criteria at the time of assessment:

- Be homeless as defined under the McKinney Vento Homeless Assistance Act. The McKinney Vento Act defines homeless children as “individuals who lack a fixed, regular, and adequate nighttime residence.” Examples of children who would fall under this definition:
 - Children and youth sharing housing due to loss of housing, economic hardship, or a similar reason;
 - Children and youth living in motels, hotels, or campgrounds due to a lack of alternative accommodations;
 - Children and youth living in emergency or transitional shelters;
 - Children and youth abandoned in hospitals;
 - Children and youth whose primary nighttime residence is not ordinarily used as a regular sleeping accommodation (e.g., park benches, etc.);
 - Children and youth living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations;
 - Migratory children and youth living in any of the above situations;
- Be a family with custody or delegation of parental authority of a minor. Family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a family relationship. When a family that consists of two families (i.e., a parent and their child(ren) with another parent and their spouse and child(ren)) living together applies, they will be treated as a family unit;
- Have at least one child enrolled in a participating Minneapolis Public School (see list in); and
- Household income is targeted to be below 30% of the Minneapolis Area Median Income (AMI) at the time of enrolling in the program. Families with AMI between 30 and 50% may be enrolled based on determination of barriers to housing. The table below shows the targeted income amounts based on household size.

Note: Income limits apply only at admission and are not applicable for continued participation.

29.3 Program Conditions

Eligible populations must agree to the following program conditions:

- Student:
 - To attend school daily;
 - To follow school rules;

- To complete classwork and homework to the best of their ability; and
- To participate in after school and extra-curricular programs, as available.
- Family:
 - To seek and secure affordable and safe housing within the referred bus zone or within the Minneapolis Public Schools attendance area;
 - To maintain monthly communication with the School Social Worker;
 - To participate in school conferences and family engagement activities (transportation can be provided at the request of the parent/guardian);
 - To participate in family engagement activities offered through the school;
 - To participate in extra-curricular school activities of their children; and
 - To maintain regular communication with their case manager when participating in case management services.
- School:
 - To support students and families to get to school daily;
 - To support students to achieve academic progress, providing additional resources as needed;
 - To converse with parents/guardians monthly regarding students' progress; and
 - To maintain data on school attendance and academic progress.

For documentation regarding citizenship and other necessary screenings for background or HUD check requirements, the Housing Placement and Support program uses HCV guidelines for eligibility.

29.4 Income Limits for SHSS – Housing Stabilization

Housing Stabilization formerly known as the Housing Stability Program, supports families from 1-12 months.

29.5 Income Limits for SHSS

The goal of the SHSS Housing Stabilization Program is to prevent homelessness by stabilizing the housing of a families in crisis with one-time financial assistance. The assistance is available to families with children attending one of the 43 identified schools.

The school social worker will assess families in crisis for eligibility and submit a referral if the family is determined to be eligible. Each referral will be assessed by the MPHA Housing Stability Service Coordinators to determine eligibility for one-time financial assistance, short term, or medium-term assistance though, the solution may not be financial.

In these cases, MPHA is committed to directing families to local resources and assistance available to quickly address the identified issue so the family can remain housed.

While non-financial supports may be available more than once, financial assistance will be issued only once per family, based on current eligibility.

29.5.1 Eligibility

- Families with one or more children attending one of the 43 participating Stable Homes Stable Schools (SHSS);
- Families facing eviction or other loss of housing due to nonpayment of rent and/or utilities;
- Families in need of assistance who are doubled up, have been evicted, or are at risk of eviction to move into housing that will be more affordable and sustainable given their income (which may include assistance for security deposits or furniture);
- Families with gross household income at or below 30% percent of the Area Median Income;
- Families residing in Minnesota; and
- Families may only be assisted once within a school year (the school year begins July 1).

Eligibility is subject to change based on funding and program requirements.

29.5.2 All Applicants

- Families will be referred by school social workers or MPS staff with completed SHSS Parent Release of Information;
- MPHA will directly contact families to begin the screening process;
- MPHA will utilize a screening tool to identify families most at risk of homelessness and assess the imminence of the potential client's housing crisis to prioritize the use of funds accordingly;
- Families will be given three business days to provide required verification documents for screening, unless more time is provided due to extenuating circumstances;
- MPHA's admissions protocol will determine eligibility and priority quickly since housing crises are time-sensitive and the program does not want to miss an opportunity to stabilize the existing housing situation;
- Family's rent to income ratio will determine their eligibility, but cannot exceed 200%, except under extenuating circumstances;
- MPHA will communicate with landlord and/or vendor and obtain required documents to process and release payment(s) accordingly;
- Families approved for one-time and short-term financial assistance are exited once payments have been made;
- The person(s) requesting housing stabilization funds must be listed in Minneapolis Public School's systems as the referring student's legal guardian OR the custodial parent/guardian AND the Minneapolis Public School referring student's name must both be on the lease;

- There must be a rental license for units in order to assist;
- The referring child must remain in a participating Stable Homes Stable Schools, Minneapolis Public School; and
- MPS will assess student attendance at MPS schools on a monthly basis.

29.5.3 One Time Assistance

Families will only be approved for one-time assistance based on the documented request for assistance.

29.5.4 Short & Medium-Term Assistance

Based on the assessment completed for all applicants, eligible families will be placed into either short-term or medium-term assistance. Short-term assistance will provide financial assistance up to three (3) months. Medium-term assistance will provide financial assistance for a period of three (3) to twenty-four (24) months.

Families in medium-term will be assessed each month through case management and goal planning. Families in medium-term will submit rent ledgers and verification of current gross household income on a monthly basis in order to continue to receive assistance. The goal is for families to pay no more than forty percent (40%) of their income toward their rent.

29.5.5 Eligibility

All general program eligibility requirements apply, including the following:

- Families must earn at least 50% of their rent in gross household income;
- For families at zero income without documentation of future income, income minimally at 50% of rent in the last 120 days, unless there was an extenuating circumstance (i.e., medical, VAWA, or mental health related);
- Families receiving a housing subsidy are only eligible for one-time assistance;
- Rent to income 1 – 200%;
- Must be a renter; and
- Must be able to set goals and take actions toward increasing housing stability.

Families will be approved for short or medium term based on the below request for assistance:

- Car repair
- Eviction Court Settlements
- Rental Arrears
- Utility Arrears
- Security Deposit

- First month's rent

Families can only receive assistance once with the below requests while in short or medium term (must be approved by leadership):

- Car repair (\$1500)
- Security Deposit
- First month's rent

29.5.6 Short-Term Assistance

Short-term assistance will be provided to families who have a financial crisis that can be resolved by receiving up to three (3) months of rental and/or utility assistance. Families will be assessed and receive an initial payment to bring their rent and utility balance to a zero-dollar balance. Once the initial payment is made, families will receive 1-3 months of rental and/or utility assistance. Amounts will be determined based on eligibility of the family. Short-term families are not eligible for medium term assistance.

29.5.7 Medium-Term Assistance

Medium-term assistance will be provided to families who have a financial crisis that requires additional assistance to resolve. Medium Term families will be required to complete an additional intake, engage in goal planning, participate in case management services, and continue to report income, and may be required to provide additional information and/or documentation. Progress meetings are required to be in person at 1001 Washington Ave N, Minneapolis, MN.

29.5.8 Eligibility

All general and short-term program eligibility apply including,

- Families must earn income or participate an employment training program;
- Utilizing the goal plan, under-employed or unemployed families will gain employment through job search or a training program; and
- Re-assessed monthly.

29.5.9 Supportive Services & Case Planning

- Assessments for ongoing assistance and tenancy barriers;
- Resource navigation;
- Supported referrals to community providers such as disability services, therapeutic services, educational supports and supported employment;
- Supported referrals to internal Hennepin County services such as children's mental health services and parent support outreach program services and Healthcare for the Homeless;
- Hands on assistance to assist families access all possible benefits (including childcare assistance), collect required documentation, complete applications and remediate tenancy barriers;

- Transitional tenancy services such as education on tenant rights and responsibilities, lease negotiation, developing a housing support crisis plan, and coaching to develop relationships with property managers and neighbors;
- Rental assistance to support family's rent;
- MPHA will monitor progress towards identified housing stability goals and re-determine eligibility monthly for families in the medium-term assistance tier quarterly;
- The Housing Stability Coordinator will assess for the family's progress in increasing income to reach the goal of paying 40% of rent;
- Medium term families will be encouraged to engage in employment services and other resources to assist in housing stabilization;
- The Housing Stability Coordinator will inform the family of their ongoing eligibility during the monthly meeting;
- Families will be allowed to reschedule their monthly meeting one time prior to being entered into an engagement plan; and
- In the case that a family vacates a unit that they are receiving ongoing assistance for, the family will have 4 months to locate a new unit in order to continue the assistance. If a family locates a new unit within the four months, the families, income, rent to income ratio, and time left with the program will be re-assessed at that time.

29.5.10 Required Documents to Submit in the Monthly Progress Meeting

- Monthly income
- Utility bill
- Proof of tenant portion payment

29.5.11 Payments

Initial Payment is the first payment to assist the family with moving the family's arrears down to a \$0 balance. This payment cannot exceed \$3000.

Initial Payment REQUEST TYPES TO RECORD IN THE HOMELESS PREVENTION TRACKER SMARTSHEET

- Car repair
- Eviction Court Settlements
- Rental Arrears
- Utility Arrears
- Security Deposit
- First month's rent

Month 1 (Ongoing rental subsidy) is the first payment toward the ongoing rental assistance

Month 1 & beyond: family will pay 40% of income toward rent. Monthly payments are tracked through the HS + case management Smartsheet. MONTHLY Payment REQUEST TYPES TO RECORD IN THE HS + CASE MANAGEMENT SMARTSHEET

- Eviction Court Settlements
- Rental Subsidy

Payments to Landlords/property management companies must be made by direct deposit unless approved by the SHSS Assistant Manager.

Security deposits: Families with an initial financial request that includes a security deposit, and first month's rent may be eligible for medium-term assistance through SHSS. A landlord agreement must be signed by the property owner or manager to proceed with funding.

It is important to inform families that SHSS is not entering into a formal contract with either the family or the landlord. Assistance is contingent upon ongoing engagement, and support may be discontinued if the family does not remain actively engaged with the program.

Late Fees: Ongoing payments will not include late fees. If the HS program is late the program will request that the owner considers the guaranteed letter as payment.

29.5.12 Exit

Families in short- or medium-term assistance will be exited, whichever occurs first:

- Once the family reaches 40% of income to gross rent;
- The financial crises are resolved and the family is no longer in need of assistance;
- There is no communication or engagement for 21 days, from the time the re-engagement letter is sent;
- Site based lead will be included on communications relating to the engagement letter;
- A family chooses to withdraw from the program;
- A family's rental/utility arrears balance increases due to family's non-payment;
- Required documents are not submitted to assess for ongoing assistance;
- Family and Landlord must be notified within 10 business days;
- Families can be exited based on their non-completion of goals;
- Enrolled in the maximum amount of 12 months; or
- Children unenrolled from their Minneapolis Public School.

30.0 Mobility and Community Choice Demonstration Program (CCD)

30.1 Introduction

MPHA may regularly develop mobility programming focused on helping participant families access opportunity areas. The current mobility-focused initiative is the Community Choice Demonstration, which MPHA administers in partnership with the Metropolitan Housing Redevelopment Authority (Metro HRA). Below are the main differences from general HCV for families receiving services through CCD.

- **Minimum Rent:** The minimum rent for the Community Choice Demonstration Program is \$50;
- **Payment Standards:** CCD uses zip-code-based payment standards for families who lease up in opportunity areas, incorporating Metro HRA's published Small Area Fair Market Rents for Special Programs;
- **Administration of moving-related supports:** A Metro HRA services team administers all services that are limited to the treatment group, including housing search coordination and financial supports for opportunity areas like application fee and security deposit coverage; and
- **Elimination of Portability:** Instead of porting out, families who have enrolled, who are assigned to the Services treatment group and who move to a Metro HRA service area, whether or not it is an opportunity area, will be retained as MPHA voucher holders. This is true through the end of the service period (Summer 2028). Families assigned to the Control group or who move to jurisdictions other than Metro HRA's will be required to port out as usual.

If a specific alternative policy is not outlined in this section of the operating procedures, it should be assumed that the relevant general HCV policy will apply to CCD participating households.

30.1.1 Eligible Populations for CCD

Existing Voucher Holders: Families who currently have vouchers must meet the following criteria to enroll:

- At least one child aged 17 or under residing in the household;
- The head of household must be the parent or legal guardian of the child(ren) OR the parent / legal guardian must also reside in the household; and
- Voucher must be through a tenant-based programs (HCV, HCVSSREP, NED, MAINSTREAM, FUP, VASH). Port-ins may be considered for enrollment, but a port absorb swap with the porting housing authority is required per our internal MPHA HCV policy. The porting housing authority should be contacted and consent to this before enrollment can proceed.

Waiting List Preferences: Effective December 2022

37 MDV vouchers were awarded to MPHA for waiting list families who enroll in the Community Choice Demonstration and who are randomly assigned to receive moving-related services. Waiting list families who enroll but who do not receive services will be issued a regular turnover voucher. PHAs participating in the Community Choice Demonstration must apply the limited preference to their regular turnover vouchers until enough families receiving these regular turnover vouchers have been randomly assigned to the Services treatment group.

Section 235(c)(6) of Division G of the 2019 Appropriations Acts also allows for the “establishment of priority and preferences for participating families, including a preference for families with young children, as such term is defined by the Secretary, based on regional housing needs and priorities.” Given this authority, HUD is requiring that PHAs establish a waiting list preference, both for MDVs, including any subsequent turnover of those vouchers, and for the number of regular turnover vouchers PHAs must make available for the demonstration.

Families on the waiting list should be recruited according to the following preferences:

- At least one child aged 13 and under in the household; and
- Family resides in census tracts with a family poverty rate of 30% or higher.

However, if a PHA does not have enough families on the waiting list that meet the required preferences, the PHA will select the next available family with at least one child aged 17 or under from the waiting list.

30.2 Program Enrollment Steps

Outside of general pulls of eligible families, based upon program capacity, MPHA will also select waitlist families who meet the waitlist preference and invite them to learn more about the Community Choice Demonstration and to submit documents confirming their eligibility. If a pulled family is not interested or determined to not be eligible, the family will retain their place on the waitlist, and MPHA will select the next family available.

Enrollment staff will be the first point of contact when a waitlist family is selected for enrollment into the Demonstration program. Enrollment staff will provide a brief overview of the Demonstration program, assess interest, and confirm study eligibility (preference status, household composition). If the waitlist family is interested and eligible, the family will then follow MPHA’s regular process of admissions to determine HCV program eligibility, which includes a regular New Admission Briefing. During this step, it will be reiterated that receipt of a voucher under this administrative preference is contingent upon being part of the Community Choice Demonstration. If they are not interested, they will remain on the waitlist and retain their original position. If the family is HCV eligible, the family will be provided with an individual enrollment briefing and be consented into the study. If the family does not consent, they will be placed back on the waitlist and retain their original position. If the family does consent, a voucher will be issued.

30.2.1 Timeline for Waiting List Response

Applicants are required to respond to requests by MPHA for verification of family, income and/or expense information. MPHA will take the following actions when a family fails to respond to the request for verification:

- 10 business days after the request for verification, correction, or adjustment, MPHA will send a Nondisclosure of Information Appointment letter to the head of household, warning of the consequences if the family fails to contact MPHA within the time frame set forth in the letter;
- If at the end of the time frame set forth in the letter, the family has not provided the requested information, MPHA will place the family back on the waiting list; and
- Requests for additional time to attain documentation will be reviewed by program supervisor.

30.3 Participant Rent and Utilities

The accurate calculation of annual income and adjusted income will ensure that families are paying the correct amount of rent pursuant to applicable HUD regulations and the MTW Plan. Payment standards for opportunity areas are set by zip code. Apart from this, the assistance amount depends on the household's program and the standard assistance calculations based on income and other factors like unit size, voucher size and utility responsibility. Waiting list families who are issued vouchers will have assistance amounts based on general HCV calculations. Control group families are eligible for the special zip-based payment standards in Minneapolis opportunity areas only.

MTW Activity 2009-6 establishes a mobility voucher program activity that allows for flexibilities to support low-income families in moving to communities of greater opportunity that are not impacted by concentrated poverty or race. In 2015, the program was redesigned to offer material incentives to the program such as security deposit assistance, application fee assistance, higher payment standards, bus cards, and moving assistance. Under this approval, MPHA established higher payment standards for the Mobility Demonstration to support our voucher participants in moving to these choice communities.

30.4 Calculating Family Share and Subsidy

Federal Register Notice 85 FR 42890 states "HUD will require that PHA's participating in the demonstration offer high enough payment standards in opportunity areas to ensure that families have access to rental units in opportunity areas. HUD also will require that PHAs participating in the demonstration offer the same payment standards to families in the treatment and control group."

MPHA distinguishes calculations of subsidies between participants in the Demonstration who DO move to areas of opportunity (defined below) and those who do not.

30.4.1 Calculating Family Share and Subsidy for Participants Who Do Not Move to Areas of Opportunity Within the City of Minneapolis

For participating families who remain in Minneapolis and do not move to areas of opportunity, MPHA will utilize the same payment standards, income calculations, and tenant rent and HAP policies applied to general HCV participants.

30.4.2 Calculating Family Share and Subsidy for Participants Who Do Move to Areas of Opportunity w/in Minneapolis or Who Move into Metro HRA's Jurisdiction

For participating families that move into an opportunity area with Minneapolis or who move into Metro HRA's jurisdiction, MPHA will apply Metro HRA's published Small Area Fair Market Rents for Special Programs to the calculations for tenant rent and HAP.

30.4.3 Defining Areas of Opportunity Within the City of Minneapolis

HUD has established the below-listed 36 census tracts as areas of opportunity within the City of Minneapolis. MPHA will modify their definitions of areas of opportunity per HUD guidelines.

27053111200

27053010600

27053111400

27053111300

27053109800

27053111600

27053011704

27053011703

27053109100

27053010700

27053106500

27053011800

27053111500

27053109000

27053012001

27053105500

27053110200

27053110500

27053103600

27053011000

27053105100

27053101200

27053106600

27053111100

27053110800

27053107600

27053000603

27053109900

27053110900

27053126200

27053008100

27053108000

27053011998

27053011998

27053011998

27053011998

31.0 Housing Coordination Services

Housing Coordinators help HCV families locate, secure, and maintain affordable housing in the private rental market. Housing Coordination services are offered using a tiered model approach as outlined below:

31.1 Tiers of Service

Tier 1: Participants New to MPHA – Automatically Referred for HC Services

Who is eligible for Tier 1 Services:

- Stable Homes Stable Schools Housing Placement and Support (SHSS-HPS)
- Special Allocation Vouchers
 - Emergency Housing Voucher (EHV)
 - Family Unification Program (FUP)
 - Foster Youth Initiative (FYI)
 - Mainstream
- HCV Participants who are new to MPHA or coming off the waitlist

Services Provided:

- Help families locate up to two (2) properties
- Accompany families on up to two (2) showings
- Develop a housing plan with related goals
- Assist with submitting and paying for up to two (2) rental applications
- Manage the RTA and inspection process
- Review the lease with the family and confirm they have successfully moved in

Tier 2: Relocating or Unit Transfers with Barriers

Who is eligible for Tier 2 Services:

- Vacating housing/relocating and within 90 days of voucher expiration (SHSS included)
- Disability
- Language barrier
- Extensive barriers to housing (criminal history, recent evictions, poor credit)
- HQS Terminations
- VAWA approved moves

Services Provided:

- Review housing search methods and best practices to identify 1 potential unit
- Provide tenant education and resources
- Create housing plan with related goals
- Advocate on behalf of the family
- Manage the RTA and inspection process
- Review the lease with the family and confirm they have successfully moved in

O – Appendix A: Housing Choice Voucher Family Obligations

The following are the obligations of families participating in the Housing Choice Voucher (HCV) Program. Families are required to comply with all obligations listed below as a condition of continued assistance.

1. Providing Required Information

Families must provide any information that the Public Housing Authority (PHA) or HUD determines is necessary to administer the program. This includes required certifications, releases, documentation, and evidence of citizenship or eligible immigration status.

Families must also provide information requested for regular or interim reexaminations of income and family composition, disclose and verify Social Security numbers as required by HUD regulations, sign any required consent forms, and ensure that all information provided to the PHA or HUD is true and complete.

2. Maintaining the Unit

The family is responsible for any Housing Quality Standards (HQS) violations caused by the family.

The family must also allow the PHA to inspect the unit at reasonable times after reasonable notice is given.

3. Complying With the Lease

The family may not commit serious or repeated violations of the lease. However, incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking committed against a victim may not be treated as serious or repeated lease violations by the victim or threatened victim.

4. Reporting Moves and Lease Termination

The family must notify both the PHA and the owner before moving out of the unit or terminating the lease.

If the owner issues an eviction notice, the family must promptly provide a copy of the notice to the PHA.

5. Use and Occupancy of the Unit

The assisted unit must be used as the family's residence and must be the family's only residence.

The family composition residing in the unit must be approved by the PHA. Families must promptly report the birth, adoption, or court-awarded custody of a child, request PHA approval before adding any other person to the household, ensure that no one other than approved household members resides in the unit except approved foster children or live-in aides, and promptly notify the PHA if any approved family member no longer lives in the unit.

If approved by the PHA, a foster child or live-in aide may live in the unit.

Household members may engage in legal profit-making activities in the unit only if those activities are incidental to the primary residential use of the unit.

The family may not sublease or rent out the unit, assign the lease, or transfer the unit to another person.

6. Absence From the Unit

The family must provide any information requested by the PHA to verify that the family is living in the unit and to explain any absences from the unit. Families must cooperate with the PHA and promptly notify the PHA of any absence from the unit.

7. Ownership Interest in the Unit

The family may not own or have any ownership interest in the assisted unit.

8. Fraud and Program Violations

Family members may not commit fraud, bribery, or any corrupt or criminal act in connection with the HCV program or any related housing assistance program.

9. Criminal Activity

Household members may not engage in drug-related criminal activity, violent criminal activity, or other criminal activity that threatens the health, safety, or peaceful enjoyment of other residents or nearby persons.

Criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking committed against a victim may not be used as grounds to terminate assistance for the victim.

10. Alcohol Abuse

Household members may not abuse alcohol in a manner that threatens the health, safety, or peaceful enjoyment of other residents or persons living nearby.

11. Other Housing Assistance

An assisted family may not receive Housing Choice Voucher assistance while also receiving another duplicative federal, state, or local housing subsidy for the same or a different unit.

P – Appendix B: Grounds for Termination of Assistance

A. Mandatory Termination of Assistance

HUD requires MPHA to terminate assistance in the following circumstances:

1. The PHA must terminate assistance for a family evicted from housing assisted under the Section 8 program for serious violation of the lease, except as applicable to victims of domestic violence, dating violence, sexual assault, or stalking under the Violence Against Women Act (VAWA). If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory;
2. The PHA must terminate program assistance if any member of the family fails to sign and submit consent forms for obtaining information required of the program;
3. The PHA must terminate program assistance if any family member fails to submit required evidence of citizenship or eligibility;
4. The PHA must terminate program assistance if a member of the assisted household is required to register for life under any states' sex offender registration program, when the household member was erroneously admitted after June 25, 2001, and the family is unwilling to remove the individual from the household;
5. The PHA must terminate program assistance for any household that includes a member who has been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of any federally assisted housing;
6. The PHA must terminate program assistance if any family member fails to meet eligibility requirements concerning individuals enrolled at an institute of higher education as specified in 24 CFR § 5.612; and
7. The PHA must terminate program assistance based on restrictions on net assets and property ownership when required by 24 CFR § 5.618.

B. Grounds for Termination of Assistance and Other Authorized Terminations

MPHA may, at any time, terminate program assistance for a participant on the following grounds:

1. If the family violates any family obligations under the program, including the requirement that the family supplies any information that the PHA or HUD determines is necessary in the administration of the program. "Information" includes any requested certification, release or other documentation.
2. If any member of the family has been evicted from federally assisted housing in the past five (5) years;
3. If a PHA has ever terminated assistance under the program for any member of the household;
4. If the family currently owes rent or other amounts to the PHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act;

5. If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
6. If the family breaches an agreement with the PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA;
7. If the family has engaged in, or threatened, abusive or violent behavior toward PHA personnel;
8. If any member of the family commits drug-related criminal activity; violent criminal activity; alcohol abuse that may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents; or other criminal activity which may threaten the health, safety or right to the peaceful enjoyment of the premises by other residents, other persons residing in the immediate vicinity, property owners and management, or PHA staff and contractors; and
9. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

The Violence Against Women Act (VAWA) prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, sexual assault, or stalking as reasons for terminating the assistance of a victim of such abuse.

Other Authorized Reasons to Terminate Assistance

Participants can also be disqualified or terminated from participating in the HCV program for the following reasons:

- If the family is absent from the unit for more than 90 consecutive calendar days without prior written approval from MPHA;
- If funding under the consolidated ACC is insufficient to support continued assistance for families in the program;
- Unresolved occupancy issues (being under-housed or over-housed);
 - Households participating in project-based programs identified as under- or over-housed will be required to transition to the appropriate unit size within sixty (60) days or MPHA determining the household is in an inappropriately sized unit. Failure to accept the referral to an appropriately sized unit within this timeframe will result in the household being terminated from the program.
- Receiving HAP equal to zero dollars for six (6) consecutive months (Zero HAP policy);
- Housing Quality Standards (HQS) abatement; and
- By request from a participant family at any time. The request to terminate assistance must be made in writing; and signed by the head of household, if applicable.