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Administrative Plan

Housing Choice Voucher Program

Effective: February ~~April~~ 1, 2023~~2~~

Summary of Admin Plan Changes

Effective 2/1/2023

Chapter 3 - Applications and Admission

- Super Priority:
 - Public Housing Resident who meets all of the qualifications for the Section 8 Homeownership Program. (added)
 - A Mod Rehab program participant who meets all of the qualifications for the Section 8 Homeownership Program (added)
 - City of Boston program participants if City funding is insufficient. (added)
 - The BHA cannot accommodate at any of the BHA public housing sites and can be resolved by being assisted under the Housing Choice Voucher Program (revised).
- Working family's preference will be applied if head, spouse or sole member is employed full time (30 hours per week) at time of eligibility determination.(revised)

Chapter 5 - Eligibility

- A VASH applicant will be considered income eligible up to 80% of AMI ("low income"). (added)
- BHA will allow medical deductions in accordance with IRS Topic 502.(revised)
- BHA will not review any juvenile offender information, only an applicant who is 14 years or older that has been tried as an adult.(revised)
- CORI review is limited to three (3) years for a misdemeanor and seven (7) for a felony (except where the criminal activity is subject to a mandatory denial). (revised)

Chapter 8 – Rent

- Removed language permitting retroactive tenant share increases. (revised)
- Exception Payment Standards are based on the FMR. (revised)

Chapter 10 – Renewal

- The BHA will conduct an annual certification at relocation and for a portability move in.(revised)

Chapter 11 – Continued Participation

- New additions to family compositions will have their income included when they are added at an interim certification. (revised)

Chapter 13 – Termination of Assistance

- A family must request a private conference within 20 days of the notice of Rent Share Determination (revised)

Chapter 14 – Programs Administered by the Leased Housing Division and Special Housing Types-

- Emergency Housing Voucher (EHV) requirements and guidelines for Income at Admissions and Eligibility Determination: Social Security Number and Citizenship Verification. (added)
- Foster Youth to Independence requirements and guidance.(added)
- Mod Rehab program participants and Homeownership participants are eligible to participate in the FSS program.(added)
- BHA may partner with outside partners to provide additional supportive services to FSS participants. (added)
- The FSS contract may be signed by the Head of Household or an adult family member and is the "Head of FSS Family". The Head of FSS Family will be paid any entitled escrow upon successful completion of the FSS contract. (added)

Chapter 15 - Homeownership Option

- FSS will no longer be a threshold requirement to participate in the Housing Choice Voucher (HCV) Homeownership program. (revised)
- Housing Assistance payments will be provided monthly to the Family (not the lender) (revised)

Chapter 19 – Glossary

- Definition of the word "appointment" used throughout the Plan. The use of "appointment" in this Plan may mean either a telephone call, a written exchange (e.g. email), a virtual meeting or an in person meeting. (added)

Corrected to Department of Children and Families (DCF) from Department of Social Services (DSS) throughout the Plan. (revised)

Removed all references to "the Model lease" (revised)

3.3.1 Definition of Priority

Priority is a housing-related situation that affects an Applicant's present residential status. The BHA gives points to an Applicant with a Priority that ranks an Applicant higher on each waiting list than an Applicant without Priority. An Applicant can qualify for only one Priority at any given time. Certain Priorities are given more points than others are. An Applicant will always be assigned to the highest Priority for which they qualify.

3.3.2 Definition of Preference

The BHA gives preference to an Applicant on the waiting list if they qualify for one of the Preference categories listed below. See section 3.3.6. Preference points are cumulative and are added to the Applicant's Priority points (if any) to determine an Applicant's position on each BHA waiting list. An Applicant may qualify for more than one Preference at a time.

3.3.3 Verification of Priority or Preference Status

The BHA will provide to each potential Applicant a description of all Priorities and Preferences that may be available. BHA will verify the Priority at initial application and when the applicant is called in for final eligibility.

3.3.4 Granting of Priorities and/or Preferences

It is BHA policy that a Priority and/or Preference, as well as date and time of the application, establish placement position on a waiting list. The BHA will grant Priority and/or Preference to Applicants who are Eligible, Qualified, and meet the definitions of the Priorities and/or Preferences (see section 3.3.5) at the time they are certified for Admission.⁷

Applicants can apply for Priority status at anytime the waiting list is open.

3.3.5 Priority Categories

- a) **Special Purpose Vouchers:** The BHA will admit an Applicant who qualifies for a particular category of Special Purpose Vouchers to the Section 8 program before all other Applicants on the waiting list if the BHA is not currently assisting the required number of special purpose vouchers families.

⁷ If the Applicant is denied priority status and requests an informal review, the hearing officer at the review will determine the priority status at the time of certification and not at the time of the hearing. The BHA will take into consideration the individual circumstances of each Applicant.

(b) **Super Priority.** The BHA will admit an Applicant to the Section 8 program before all other Applicants on the waiting list if:

- (1) The Applicant resides in BHA public housing⁸, AND;
 - (i) The Applicant Family is or will be temporarily displaced due to BHA rehabilitation and modernization programs (an applicant family shall be deemed temporarily displaced from the time the family vacates the public housing unit until an offer is made to return); or
 - (ii) The Applicant or a member of the Applicant Household is in imminent danger of life threatening injuries due to providing testimony or information regarding criminal activity to a local law enforcement agency and cannot be expeditiously remedied in any other way by the public housing program; or
 - (iii) The Applicant or a member of the Applicant Household is a victim of physical harassment, extreme or repeated vandalism to personal property and/or extreme and/or repeated verbal harassment, intimidation or coercion which places them in imminent danger and that cannot be expeditiously remedied in any other way by the public housing program; or
 - (iv) The Applicant or a member of the Applicant Household has been or is currently a victim of Domestic Violence, Dating Violence, Stalking, or Sexual Assault, and has a reasonable belief of risk of imminent harm if he or she remains in the current Unit and no other BHA public housing sites are an appropriate alternative, or
 - (v) ~~The BHA cannot approve the Applicant's request for Reasonable Accommodation at any of the BHA's public housing-sites because the request would be unreasonable, an undue financial burden, or a fundamental alteration of the program and the Applicant's Request for Reasonable~~

⁸ If the Leased Housing Department has verified that the applicant was offered and accepted housing in the public housing portfolio that resolves the need for which Super Priority was granted, the Super Priority status approval will be withdrawn. The applicant will be removed from all Section 8 waiting lists for which he/she has Super Priority status only. The applicant will retain any other priority status for which he/she may have applied.

Accommodation could be resolved by being assisted under the HCVP.

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- (v) —
- (vi) Has met all qualifications for the Section 8 homeownership program as set forth in Chapter 15 below of this Plan.

- (2) The Applicant is a Participant in the BHA's Section 8 Moderate Rehabilitation Program, or the Project Based Voucher Program⁹AND;

- (i) The Applicant or a member of the Applicant Household is in imminent danger of life threatening injuries due to providing testimony or information regarding criminal activity to a local law enforcement agency, OR
- (ii) The Applicant or a member of the Applicant Household is a victim of physical harassment, extreme or repeated vandalism to personal property and/or extreme and/or repeated verbal harassment, intimidation or coercion which places them in imminent danger, OR
- (iii) The Applicant or a member of the Applicant Household has been or is currently a victim of Domestic Violence, Dating Violence, Stalking, or Sexual Assault, and has a reasonable belief of risk of imminent harm if he or she remains in the current Unit, OR
- (iv) The Owner and/or the BHA cannot approve the Applicant's request for Reasonable Accommodation at any of the BHA's Section 8 Moderate Rehabilitation or Project Based Voucher sites because the request would be unreasonable, an undue financial burden for the Owner, or a fundamental alteration of the program, and the Applicant's Request for Reasonable Accommodation could be resolved by being assisted under the HCVP.

⁹ If the Leased Housing Department withdraws Super Priority status approval the applicant will be removed from all Section 8 waiting lists for which he/she has Super Priority status only. The applicant will retain any other priority status for which he/she may have applied.

- (v) A Moderate Rehabilitation Program participant who demonstrates they have met all qualifications for the Section 8 homeownership program as set forth in Chapter 15 of this Plan

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(3) Verification Requirements:

Applicants will be asked to provide reliable documentation to show that their Family qualifies for Super-Priority as outlined in section 3.3.5(a)(1) and (2). Such verification may include the following items:

- (i) A letter(s) from a Qualified Healthcare Provider describing an Applicant's physical or mental condition and specifying housing conditions required because of the condition;
- (ii) For Reasonable Accommodation requests, reliable documentation from a Qualified Healthcare Provider or professional non-medical service agency, whose function it is to provide services to the disabled. Documentation should verify that the Applicant or a member of his/her Household is disabled under the applicable definitions in Federal and State law and describe the limitations attributable to the disability. Documentation must also describe how the accommodation being requested will overcome or alleviate those limitations;
- (iii) Police reports;
- (iv) Civil Rights incident reports;
- (v) Copies of restraining orders;
- (vi) Any other documentation that provides the BHA with evidence of Super Priority criteria.

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- (vi) (4) The Applicant is a Participant in the City of Boston Voucher Program as administered by the Boston Housing Authority and in accordance with the Administrative Plan for that Program is losing subsidy due to lack of sufficient funding for that program.

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(c) Mitigation Vouchers – The BHA will provide three hundred (300) Mitigation Vouchers to be issued over the next five years to priority one,

non-elderly disabled applicants in accordance with the Boston Housing Authority Designated Housing Plan who would have otherwise been called in for screening for a public housing unit. These applicants will be given the opportunity to apply for a Section 8 Housing Choice Mitigation Voucher at the time that they would have otherwise been called into screening for a public housing unit. If a Housing Choice Mitigation Voucher is not immediately available these individuals will be placed on waiting list and will be drawn in accordance with the Administrative Plan based on their Mitigation Voucher application.

(d) Supported Housing Programs

At its discretion, and if required with HUD and/or DHCD approval, the BHA may enter into an agreement with social service or other agencies to provide set asides of tenant based or project based vouchers coupled with supportive services to Applicants and residents, including targeted populations, who need special help in order to establish and maintain tenancies, provided that evidence exists that the agencies are reliable organizations with experience at providing related services and are fiscally sound.

Assistance required under such agreements shall include, but is not necessarily limited to, the following services:

- (i) Assistance in evaluating applicants for program participation;
 - (ii) Checking to see if the residents are paying their rents and other charges and are properly maintaining their units;
 - (iii) Helping residents to maintain their households, including managing their money;
 - (iv) Providing specialized supportive services and crisis intervention in order to obtain necessary treatment to avoid eviction action.
- All Applicants and residents who participate in these programs must meet the Threshold Requirements for the program for which they are applying.

All Applicants and residents who participate in these programs must meet the Applicant Screening Criteria as specified in this policy and/or any Memorandum of Agreement between the BHA and the service organization.

Rental Assistance (PBRA):

- (a) The converted property is located in the City of Boston, and,
- (b) The waiting list for the property is managed by the BHA, and all PBRA vacancies for the property are filled from the BHA waiting list.
- (c) Applications shall be accepted no earlier than twenty-four (24) months from the date of initial occupancy. The applicant must be in good standing with the owner to apply.

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3.3.7 Admission Preference

An Applicant may only apply for a Preference when the waiting list is open.

Preference points are cumulative and are added to Priority points (if any) to determine an Applicant's position on a BHA waiting list. An Applicant may qualify for more than one Preference at a time.

A Priority One Applicant with a Preference will be ranked above a Priority One Applicant with no Preferences. Preferences are cumulative, so an Applicant with more than one Preference (e.g., Veterans and Displaced) will be ranked higher within his or her Priority category than an Applicant with only one Preference.

The Preference categories are described below:

(a) *Elderly/Non-Elderly Disabled Person Preferences*

(1) The Boston Housing Authority has an Admissions preference for a single person Applicant, who is Elderly or Disabled over other single persons. An Applicant will be given preference over an Applicant who is a Single Person who is not an Elderly or Disabled person within each waiting list Priority category.

Note: A single woman who is pregnant at the time of admission, or a Single Person who has secured or is in the process of securing the custody of any individual(s) below the age of 18, will not be considered a Single Person for the purposes of this preference.

(2) The Boston Housing Authority has an Admissions preference for Elderly households at specific Project Based Section 8 sites where such a preference is designated in the Owner's Housing Assistance Payments Contract ("HAP").

(3) Non-Elderly Disabled (NED)

The BHA will grant a preference for non-elderly disabled (NED) applicants to waiting lists at sites which were formerly public housing; were part of a designated housing plan, and have been converted to Project Based Section 8.

(b) **Veterans Preference**

A "veteran", as used in this Administrative Plan shall include the spouse, surviving spouse, dependent, parent or child of a Veteran and the divorced spouse of a Veteran who is the legal guardian of a child of a Veteran.

Verification Requirement:

1 Applicants claiming a Veteran's Preference must provide a copy of the discharge documents of the Veteran for whom the Preference is claimed. The Veteran's Preference is only applicable to Veterans and/or immediate families of Veterans who were discharged under circumstances other than dishonorable.

(c) **Working Families Preference**

(1) Definition of a Working Family:

A Family where the head, Head, spouse, or sole member is employed full time. ~~of Household or other adult member is employed full time and who has been employed for the last six months.~~ Full time is defined as working at least 30~~32~~ hours a week.

(2) An Applicant shall be given the benefit of the Working Family preference if the head and spouse, or sole member is age 62 or older, or is a person with disabilities, if both the head and spouse are age 62 or older, or sole member is age 62 or older or head, spouse, or sole member is a Disabled Person.

(3) Verification Requirements:

(i) Verification from employer that Family meets the definition of a working Family.

(d) **Displaced Boston Tenant Preference**

The BHA shall give two (2) Preference points to an Applicant who was displaced from a unit within the City of Boston

doing so would not require the Family to pay more than 40% of the Family's Monthly Adjusted Income for rent and utilities. The requested rent must be reasonable in comparison to similar unassisted units.

(j) When a Family May Rent an Apartment Smaller than the Voucher Size

The Family may select a smaller Unit than that which is listed on the Voucher in the following instances:

- (i) The Head of Household, if single, chooses to share a bedroom with another member of the Family of the same sex or with a child of the opposite sex of less than three years of age; or
- (i) There is at least one bedroom or living/sleeping room of appropriate size for each two persons; or
- (ii) The State Sanitary Code requirements are met if on member of the Family is using or will use the living area as a sleeping area instead of a bedroom.

(k) Changes in an Applicant's Family Composition.

If the Family's composition has changed since their initial application, the Family must provide verification of the change. Changes in Family Composition must be reported within thirty (30) days from the date of the change. (See also sections 11.1.1(a), 10.1.3 and 10.1.4 for more regarding changes in Family Composition). The BHA will issue a Voucher of the appropriate bedroom size based upon the Family's current composition except in cases where the relationship, age (not generational gap), sex, health, disability or handicap of the Family members warrants the assignment of a larger Voucher Size than that which would result from a strict application of the above criteria. These exceptions must be documented and approved by Administrator or his/her designee.

5.5 Income Eligibility and Targeting

Persons meeting BHA income qualifications are those whose Annual Income at the time of Admission, does not exceed the income limits for occupancy established by HUD. The BHA posts Income limits separately in BHA offices and on its web site (www.bostonhousing.org).

5.5.1 Income Eligible Family

To be income eligible the Family must be a Family in any of the following categories:

- (a) A Family with an annual gross income equal to or less than 50% of Area Median Income (which is also known as "very low-income");
- (b) A low-income Family that is Continuously Assisted under the 1937 Housing Act;
- (c) A low-income Family that currently resides in a BHA state subsidized public housing development, but is being displaced due to modernization or rehabilitation or other reasons due to no fault of the Family and the Family was initially eligible for BHA state subsidized public housing;
- (d) A Family residing in "expiring use" developments where the Family's household income does not exceed 80% of Area Median Income (or "low-income");
- (e) A Family residing in developments which are eligible for the receipt of enhanced Vouchers according to applicable law, may be eligible for the Section 8 program as long as the Applicant's household gross income does not exceed 95% of area median income.
- (f) A low-income Family that qualifies for Voucher assistance as a non-purchasing Family residing in a HOPE 1 or Hope 2 project. (Section 8(o)(4)(D) of the 1937 Act (42 U.S.C. § 1437f(o)(4)(D));
- (g) A low- or moderate-income Family that is displaced as the result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low income housing as defined in 24 C.F.R. § 248.101.
- (h) A low-income Family that qualifies for Voucher assistance as a non-purchasing Family residing in a project subject to a Participant homeownership program under 24 C.F.R. § 248.173.
- (i) ~~(i)~~ A low-income Family that is currently assisted by a state subsidized housing program.
- (j) A low income family that is referred by the VA for participation in the VASH program.

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5.5.2 Targeting Requirements

The BHA will conduct "income targeting" as required by applicable law¹⁵ to ensure that 75% of all Section 8 tenant-based program waiting list Admissions go to Extremely Low-Income Families (those with incomes at

¹⁵ See 24 C.F.R. section 982.201(b)(2)(i)

In determining whether childcare expenses are reasonable, the BHA will verify that a family member is engaged in an eligible activity and that the time spent at the eligible activity is commensurate to the child care expense.

Verification required:

- (1) Statement from the provider of childcare or care of Disabled Person who is a Household Member of the amount of payment made on a periodic basis by the Applicant and proof of payment (e.g., cancelled check, money order receipt, IRS-1099 Form, etc.).
- (2) Third party verification will be required: from employer verifying employment ; from employer verifying leave of absence and anticipated return date; letter from educational institution verifying student status ; verification of unemployment benefits or self-certification that he/she is seeking employment.

- (i) **Verification of Medical Deductions.** This deduction is available to an Elderly or Disabled Family (i.e., in which the Head of Household or spouse is 62 years of age or older or is a Disabled Person). The BHA requires third party verification of the following un-reimbursed medical expenses for any Family member paid within the last twelve months. The BHA will allow medical deductions in accordance with IRS Topic 502. ÷

- (1) ~~Statement of the cost of medical insurance and the frequency of cost from the provider or in the form of deductions indicated on pay stubs or Social Security statements accompanied by proof of payment;~~
- (2) ~~Receipts for payment of prescriptions and other health care needs. Non-prescription health care needs must be documented by both receipts and a statement from a Qualified Health Care Provider of the need for such items (including non-prescription medications, wheelchairs or other disability related aids, etc);~~
- (3) ~~A printout of prescription costs from a pharmacy accompanied by proof of payment by a Family member;~~
- (4) ~~Medical or dental bills for a Family member paid and proof of payment by a Family member.~~

(j) Verification of Disability Assistance Expenses

This deduction is available for ***un-reimbursed*** attendant care and auxiliary apparatus expenses for each member of the Family who

- (iii) "Section 243(h)" or "Deportation stayed by Attorney General;" or
 - (iv) "Paroled pursuant to Section 212(d)(5) of the INAA."
- (3) Arrival /Departure Record: INS I-94 Form, not annotated, accompanied by one of the following documents:
 - (i) A final court decision granting asylum to which no appeal was taken;
 - (ii) A letter from an INS Asylum Officer granting asylum (if application was filed on or after October 1, 1990) or from an INS District Director (if application filed before October 1, 1990);
 - (iii) A court decision granting the withholding of deportation; or
 - (iv) A letter from an INS Asylum Officer granting withholding of deportation (if application was filed on or after October 1, 1990).
- (4) Temporary Participant Card: INS I-688 Form, which must be annotated with the notation of either "Section 245A" or "Section 210;"
- (5) Employment Authorization Card: INS Employment Authorization Card I-688B Form, which must be annotated with the notation either: "Provision of Law 274a.12(11)" or "Provision of Law 274a.12;" or
- (6) Receipt from the INS indicating Application for Issuance of a Replacement Document.
- (d) Eligible Immigration Status for all Non-Citizen Family members must be verified through the INS unless there is an election not to contend or all Family members are 62 years of age or older and have submitted proof of age and a declaration of eligible non-Citizen status.

5.7 Review of Criminal Offender Record Information (CORI)

The BHA uses criminal offender (CORI) records obtained from law enforcement agencies to screen Applicants for eligibility to the HCVP. All Applicants are advised in writing that criminal activity by any Applicant may be a cause for denial to the Section 8 Program. To determine eligibility the BHA reviews a Criminal Offender Record Information ("CORI") report from the Massachusetts Criminal History Systems Board ("CHSB"), or a similar entity in another state, if

the Applicant has not been residing in Massachusetts for the past two (2) years. The BHA will pay costs associated with obtaining criminal record reports.

The BHA will request CORI for an Applicant who is fourteen (14) years of age or older in accordance with State and federal law. The BHA will not review any juvenile offender information. The BHA shall only review CORI for an applicant who is 14 or older that has been tried as an adult.

In conducting a review of an applicant's history of criminal activity the review shall be limited to a period of ~~five-three~~ (53) years for criminal activities which would be punishable as a misdemeanor or equivalent level of culpability under local law and ~~ten-seven~~ (107) years (except where the Housing Authority has an obligation to ban applicants whose criminal activity is subject to mandatory denial) for an activity which would be punishable as a felony or equivalent level of culpability under local law. The time period shall run from the date of conviction or the release date, whichever is later.

The Housing Authority may deny an applicant whose criminal record shows a pattern of violent criminal activity, or activity that is inherently violent, even though the activity has occurred outside of the time frame set out above.

For the purposes of CORI certification, the BHA must verify the identity of the Applicant with a form of government-issued photographic identification (if photographic identification is unavailable the BHA may accept proof of birth). The BHA will obtain the following information on the CORI request form to ensure the correct identity of the Applicant:

- Full Name;
- Maiden name or Alias;
- Date of Birth;
- Place of Birth;
- Social Security Number (requested but not required);
- Mother's maiden name;
- Former addresses;
- Sex;
- Height;
- Weight; and
- Eye Color
- Other information as required under State or federal law.

If the BHA obtains criminal record information showing that an Applicant Family member has been convicted of a crime relevant to eligibility, the BHA will notify the Applicant of the proposed denial and provide the subject of the record and the Applicant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information. The BHA may also consider evidence that any criminal activity was directly related to or resulting from incidents of Domestic Violence, Dating Violence, Stalking, or Sexual Assault as Mitigating Circumstances. The BHA will send the Applicant a letter offering the Applicant

- (iv) Is Drug-Related Criminal Activity or Violent Criminal Activity.
- (6) The Owner has a history or practice of renting units that fail to meet State or local housing codes, or;
- (7) The Owner has not paid State or local real estate taxes, fines or assessments.
- (d) The BHA must not approve a Unit if the Owner is the parent, child, grand-parent, grandchild, sister, brother, or any member of the Family, unless the BHA determines that approving the Unit would provide a Reasonable Accommodation for a Family member who is a Disabled Person. This restriction applies at the time a Family initially receives tenant-based assistance for occupancy of a particular Unit, but does not apply to BHA approval of a new tenancy with continued tenant-based assistance in the same Unit.
 - (1) In cases where the Owner and a prospective tenant Family member bear the same last name, the BHA may, at its discretion, require the Family and or Owner to verify (i.e. birth certificates, marriage license etc.) that they are not related to each other in any way.
- (e) Nothing in this section is intended to give any Owner any right to participate in the program.
- (f) For the purposes of this section an Owner includes a principal or other interested party with respect to the Unit.

7.4 Preparing the HAP Contract and Lease

7.4.1 Determinations and Verification

- (a) Upon inspection approval and acceptance of the negotiated rent amount, the Leasing Officer will do the following:
 - (1) Designate the Lease initiation date in accordance with the BHA Leasing Schedule (see section 7.3.2);

For example: For a Lease initiation date of February 1st the BHA must receive an Inspection approval on or before January 3rd. If the inspection approval is received after January 3rd, then the Lease initiation date will be March 1st.
 - (2) Make sure the correct "Utility Allowance" was provided on the Rent Approval Form and the Family's share of the rent and utilities;

~~(3) The Leasing Officer will encourage the Owner to use the BHA's HCVP model Lease. The HCVP model Lease is available on the BHA web site www.bostonhousing.org. If the Owner chooses not to use the BHA HCVP model Lease then he must submit a private market Lease in accordance with section 7.4.2 of this Administrative Plan.~~

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~~7.4.2 Variations from the BHA Model Form of Lease~~

- ~~(a) *Amendments to the Model Lease.* Variations from the BHA Model Lease must be in a written, standard form used by the Owner in the locality, must comply with state and local law (unit Owners will certify to this by signing the required HAP Contract), and apply to the unassisted tenants in the same property. Amendments are subject to the approval of the BHA.~~

~~(ab) *Private Market Leases.* The Participant or the Owner must provide Private Market Lease to the BHA at the time the Participant gives the BHA the "Request for Tenancy Approval." If an Owner chooses to use his or her own Lease or to include additional Lease terms, the Administrator or his or her designee will review the documents to ensure they are in accordance with state and local laws. Use of a private market lease is subject to BHA approval. A Private Market Lease must comply with the Attorney General's landlord-tenant regulations.~~

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~~The Participant or the Owner must provide Private Market Lease to the BHA at the time the Participant gives the BHA the "Request for Tenancy Approval."~~

The HUD Tenancy Addendum must be executed and attached to all Leases.

The BHA private market lease rider will be attached to all private market leases to establish that the Lease will continue in month to month successive terms after the initial term stated in the Lease. The lease may not be terminated without cause even when the lease becomes a month to month agreement.

In accordance with federal regulations, the Owner's standard form Lease must include:

- (1) The names of the parties;
- (2) The term of the Lease;
- (3) Which utilities and appliances are supplied by the Owner and which are supplied by the Family;
- (4) If any security deposit is collected and the amount of any such security deposit; and

- (1) Certification supplied either by the Owner or manager including a rent roll of similar unassisted Units in the building,
 - (2) Copies of existing Leases of similar unassisted Units either in the building or the surrounding neighborhood, affidavits from realtors in the neighborhood providing the current rents,
 - (3) Internet resources (GoSection8).
- (c) Weight of Comparison Data

When determining the Reasonable Rent, Private Market comparison data is used in the following preferential order:

- (1) Data on the Units located in the same building or developments as the assisted Unit. The BHA will not consider the rent amount on any unit at the premises where a lease is in effect for five (5) years or more. However, the BHA will consider the owner's rent setting policies for these units when determining a whether rent increase is reasonable. For example, existing HCV tenants may not exceed the rents charged to unassisted tenants in comparable units who have been at the property for approximately the same amount of time.
- (2) Data from GoSection8.

8.3.3 Owner certification of comparability

By accepting each monthly housing assistance payment from the BHA, the Owner certifies that the Contract Rent is not more than rent charged by the Owner for comparable unassisted Units in the premises. The Owner must give the BHA information requested by the BHA on rents charged by the Owner for other Units in the premises or elsewhere.

8.4 Maximum Initial Rent Burden

At the time the BHA approves a tenancy for initial occupancy of an Apartment by a Family with HCVP assistance, and where the Gross rent of the Unit exceeds the applicable Payment Standard for the Family, the Family Share may not exceed forty percent (40%) of the Family's Adjusted Monthly Income. See also 24 C.F.R. § 982.508.

8.5 Rent Exceptions

The BHA may approve an exception of up to 120% of the HUD SAFMR as a Reasonable Accommodation.

The BHA will request the HUD field office to approve an exception Payment Standard of more than 120% of the Small-Area-Fair Market Rent (SAFMR) if the exception is needed as a Reasonable Accommodation so that the HCVP is readily accessible to a Disabled Person in accordance with 24 C.F.R. parts 8 and 982. The BHA will apply to HUD for higher Payment Standards for neighborhoods when the BHA determines that exception Payment Standards are necessary to effectively administer its HCVP, and where such exception Payment Standard can assist Participants in leasing units outside areas of low income or Minority concentrations. Such rents must meet Reasonable Rent standards for comparable units. Any request for a Payment Standard exception over 120% of the HUD SAFMR must be made to the HUD central office located in Washington D.C.

8.6 Rent Increases

8.6.1 General Procedure and Policy

The Lease governs rent increases. To receive a rent increase, the Owner must send the request for a rent increase to the Participant and send copy of the request to the BHA sixty (60) days prior to the date of the requested increase. The rent may not be increased until after the initial one-year term of the Lease, or one-year has elapsed from the prior Lease amendment increasing the rent.

The Owner will send the initial rent increase request either to the Leasing Officer or directly to the Inspections Department, who will determine whether or not the requested rent is reasonable and advise the Leasing Officer of same. The Leasing Officer will then send the Participant the BHA Lease Amendment Form which advises the Participant of the new contract rent, BHA subsidy and Participant share of rent. If the BHA grants a rent increase the adjusted rent will be the lesser of:

- (a) The Reasonable Rent as most recently determined by the BHA, or
- (b) The amount requested by the Owner.

8.6.2 Participant Approval required after BHA Approval

If the BHA grants the Owner the ability to increase the rent the Leasing Officer may discuss the effect of the proposed increased rent with the Participant. The Leasing Officer may advise the Participant of his or her share of the rent and their option to approve or disapprove of the rent increase. The Participant may negotiate the terms and the amount of the increase with the Owner and the Leasing Officer may assist the negotiation.

- (a) **Participant Approval of Rent Increase.** If the Participant agrees to the increased rent the Leasing Officer will assist the Owner and the Participant in signing a Lease amendment to adjust the Contract Rent.
- (b) **Participant Disapproval of Rent Increase.** If the Participant does not accept the increase in rent or negotiate a rent that is acceptable to both parties, one of the following may occur:
 - (1) The Owner may start an eviction proceeding against the Participant by citing a refusal to enter into a Lease amendment as a business or economic reason at the end of the initial one-year Lease term or after a year has elapsed from the last rent increase.
 - (2) The Owner and the Participant continue under the current terms of the Lease and contract, moving forward without an increase in rent.
 - (3) The Participant may request a Voucher to move to another Unit. The Participant must give thirty (30) days notice to the Owner and a copy of the notice to the BHA if the Participant intends to vacate the Unit, unless the owner has already given such notice.

8.6.3 The rent will not be increased unless:

- (a) The Owner requests the increase in writing sixty (60) days prior to the date of the requested increase;
- (b) The Owner has complied with all obligations of the HAP Contract
- (c) The Participant approves the increase in rent to the Owner; and

8.6.4 Date of Rent Increase.

After all other conditions of this policy are met; the Contract Rent will only be increased for housing assistance payments commencing on the later of:

- (a) The first day of the first month commencing on or after the initial Lease term; or
- (b) At least sixty (60) days after the BHA and the Participant receives the Owner's request for a rent increase.

8.7 Written Notice of Rent Share Change

Before the BHA makes a change in the Rent Share, the BHA will notify the Participant and the Owner in writing. The notice to the Owner will only contain the

new rent and the date that it will be effective. The Notice of Rent Share Change to the Participant will contain the following information:

- The Contract Rent and the Tenant Share of Rent and the date it will be effective,
- The amount of Participant's Household income, Family Composition and other facts considered by BHA in determining the new rent,
- If the rent share results from Proration of the Family's subsidy because not all Family members are U.S. Citizens or have eligible immigration status, an explanation of the formula used to determine the rent share,
- The Family's right to request in writing an explanation of the basis of the BHA's determination and, to request in writing, an informal hearing if the Family still does not agree with the determination after the explanation,
- If the Family requests an explanation, BHA staff will confer with the Family, and shall provide the Family with a written notice of adjustments made to the original determination,
- The BHA will also notify the Family of their right to and the method of, calculation of rent and/or rent share.

8.7.1 Effective Dates of Rent Share Increases and Decreases

- (a) **Decrease in Tenant Share of Rent** ~~**Rent Decreases**~~ If a Family reports in writing a change in income within 30 days, a decrease in tenant share shall be effective the month following the verified decrease in income. For example, if a Family reports a decrease in income on March 3 that resulted from a job loss on February 20, the change in tenant share shall be processed effective March 1.

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If the family fails to report the change income within 30 days, the decrease in tenant share shall be made effective the month following the reported change.

- (b) **Increase in Tenant Share of Rent** will be effective the first day of the second month after BHA sends Participant a Notice of Rent Change. If a Participant failed to report income in accordance with BHA policy, the BHA may request repayment for the overpayment of housing assistance in lieu of termination. The BHA shall not retroactively increase a tenant share due to a failure to report income. Increases in a

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Participant's share of rent due to a relocation to a new unit will be effective on the initial date of the lease term.

~~Rent increases will be effective the first day of the second month after BHA sends Participant a Notice of Rent Change. If a Participant fails to report a change which would have resulted in an increase in the tenant share of rent, the tenant share of rent shall be increased retroactively to the second month following the change had the reporting of income been timely. Increases in a Participant's share of rent due to a relocation to a new unit will be effective on the initial date of the lease term.~~

8.8 Tenant Share of Rent

8.8.1 BHA determination

- (a) The Tenant Share of Rent is the portion of the Rent to Owner paid by the Family. The BHA determines the Tenant Share of Rent in accordance with HUD requirements and BHA procedures.
- (b) Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the BHA to the Family and the Owner.

8.8.2 Total Tenant Payment

The Total Tenant Payment (TTP) represents the minimum amount a family must contribute toward rent and utilities regardless of the Unit selected. The TTP is calculated using a statutory formula and individual income information. To calculate TTP, annual adjusted income and annual (gross) income must be converted to monthly adjusted income and monthly gross income by dividing the annual figures by 12 months. The TTP is the greater of:

- (a) 30 percent (30%) of monthly adjusted income; or
- (b) 10 percent (10%) of monthly gross income.

8.8.3 Minimum Rent – The BHA may adopt a minimum rent within the range as prescribed by 24 CFR 5.630. Minimum rent may be applied immediately (upon 30 days written notice) but no later than the participants next annual recertification following its implementation .

- (a) Financial hardship exceptions: - A family may request and the BHA may grant exceptions to minimum rent requirements if the BHA determines that the family is unable to pay the amount due to financial hardship, unless the hardship is temporary. Financial hardship may include the following:

- (1). Have lost eligibility or are awaiting eligibility determination for a federal, state or local assistance program, including a family

CHAPTER 10: RENEWAL

10.1 Annual Recertification

The BHA must conduct a reexamination of the Family's income and composition at least annually. The BHA will also conduct an annual recertification at relocation and portability.

10.1.1 Appointment for Recertification

The Leasing Officer will contact the Head of Household in writing three to four months before the anniversary of their last annual Recertification by sending the Family an appointment letter. The appointment letter requests that the Head of Household bring the necessary verification of Annual Income and Family Composition (see Chapter 5: Determination of Eligibility). The appointment letter also lists the required documentation and information and states that a failure to comply with the obligation to supply information may result in the termination of the Family's HCVP assistance.

(a) Failure to Keep the Appointment.

If the Family fails to keep the initial Recertification appointment, the Leasing Officer will reschedule the appointment. The BHA considers it a failure to attend an appointment if the Participant is more than one-half (1/2) an hour late for a scheduled appointment.

If the Family fails to attend a second Recertification appointment, the Leasing Officer may terminate the Family's assistance in accordance with Chapter 13.

If the Participant contacts the Leasing Officer prior to the appointment to reschedule or has a reasonable excuse for missing the appointment, the BHA will excuse the missed appointment. The BHA will use its discretion to determine what excuses are reasonable. The Leasing Officer may ask the Family to supply documentation to verify their inability to attend the appointment. See also sections 1.2.4-1.2.5.

(b) *Failure to provide complete information.* If the Family attends the annual Recertification appointment but fails to provide the BHA with the documentation necessary to recertify the Family, the Leasing Officer will schedule an additional appointment and notify the Participant what documentation the BHA still requires to complete the Recertification. If the Participant does not supply the required information or does not attend the rescheduled appointment, the Leasing Officer may send the Family a notice of proposed termination of assistance that also contains a list of the documentation required to complete Recertification. The BHA may recertify the Family and rescind the proposed termination if the

Chapter 11: Continued Participation

11.1 Interim Recertification

A Family may request in writing an interim determination of Family Share at any time because of a change in the Family's income, Adjusted Income (household deductions), family size, or composition. A Family must report changes in the circumstances described in the section below.

See Section 8.7.1 regarding the effective dates of the reported change.

11.1.1 Circumstances Requiring an Interim Recertification

(a) All Changes in Family Composition

Family Reporting Requirements:

A Family is required to inform and supply any necessary verification to the BHA within thirty (30) days of a birth, adoption, or court awarded custody. The BHA must approve the eligibility for any addition to the Family that does not result from a birth, court-awarded custody, or adoption in accordance with section 10.1.3. Any income attributable to the new family member must be reported and will be included in the interim recertification for the addition to family.

A Family must also notify the BHA in **writing** within 30 days of any departure of a Family member due to death, permanent institutionalization, or other reason, and provide the BHA with verification, including, where applicable, the verification of the new address of the departed Family member. See also section 10.1.4.

(b) Increase in Family Income for Family without Income

The BHA shall process an interim certification of income when a family without income (a "zero income" family) receives any earned or unearned income.

If a Family's income is too unstable to project for 12 months or if a Family temporarily has no income (a "zero-income Family") or if a Family has a temporary decrease in income, the BHA may schedule special Recertification with the Family's Leasing Officer every month, or at least quarterly, until the income stabilizes and/or an Annual Income can be determined

A Family may request an interim certification due to an increase in income. In certain circumstances, such as FSS participation, it may be advantageous for the family to do so.

A relocation or portability is considered an annual recertification not an interim recertification action.

(c) Decrease in Family income.

If a Family has a decrease in income, it must be reported to the BHA within thirty (30) days of the loss or decrease in income. When a decrease in family income is reported the BHA shall consider any effect that the reduction in income may have on child care or disability assistance expense deductions.

11.2 Termination of HAP Contract

11.2.1 Grounds for Termination

If the BHA finds that the Owner or Family has failed to meet the program or contractual obligations, the BHA may suspend the subsidy payments, terminate the HAP Contract, or terminate the subsidy accordingly.

11.2.2 Owner breach of obligations

If the BHA terminates the HAP Contract because the Owner has breached the terms of the HAP contract or Owner responsibilities as provided in 24 C.F.R. § 982.404, the Leasing Officer will issue the Family a new Voucher. However, the Family does not have to wait for the BHA to terminate the HAP Contract if a serious breach or serious violations occur. If there is a serious breach and the Inspection Services Department of the City of Boston has determined that the Unit is uninhabitable, the BHA may direct the Family to relocate at an earlier point or the Family may vacate the Unit within a reasonable time consistent with State law.

11.2.3 . Owner Debts to the BHA

An owner may become indebted to the BHA when he/she receives HAP payments to which he/she is not entitled due to termination of the HAP contract for reasons, including but not limited to the following: the owner has violated any obligation under the HAP contract including keeping the unit in compliance with HQS; the owner has violated any other obligation under any other HAP contract under Section 8; the owner has committed fraud, bribery or any other corrupt criminal act in connection with any Federal Housing Assistance Program; the owner has engaged in drug related or violent criminal activity; the BHA learns that the participant no longer resides in the unit or is deceased.

- (a) Any amount due to the BHA by an owner must be repaid within thirty (30) days of the BHA determination of the debt.

- (i) A BHA determination to exercise or not to exercise any right or remedy against the Owner under a HAP Contract.

13.7.3 Notice to the Family to Request an Informal Hearing

- (a) In the cases described in sections 13.7.1(a), (b), (c), and (h) the BHA will notify the Family of the basis for the BHA determination. If requested by the family, the BHA will schedule a private conference in accordance with section 13.6.5 and section 8.6 in these situations. The family must request the private conference with twenty (20) days of the date of the notice of rent share determination. If a resolution cannot be reached at the Private Conference, the BHA will notify the Family in writing of its decision and advise the Family that they may request an informal hearing within twenty (20) days of the date of the final notice of ~~the date of the final~~ determination.
- (b) In the cases described in sections 13.7.1(d), (e), (f), (g) the BHA will notify the Participant as explained in section 13.6.2.

13.7.4 Expeditious Hearing Process

The BHA will hold a hearing and issue a decision promptly. The Family will continue receive assistance while a decision is pending.

Pursuant to Sections 11.3, 11.3.1 and/or 11.3.2., the BHA may deny relocation with continued assistance where there are grounds for denial or termination of assistance.

13.7.5 Hearing Procedures

- (a) *Time to request a hearing.* The Participant has twenty (20) days from the date of the proposed termination letter, except in Non-Citizen Rule cases where the time period shall be 30 days from the date of the notice of termination of assistance for any Family member. The BHA will grant a request for a hearing when a Participant submits a late request, together with evidence of compelling circumstances that prevented the Participant from requesting a hearing within twenty (20) days. Late requests will be considered by the Administrator of Grievances and Appeals or his/her designee for thirty (30) days beyond the initial appeal period.
- (b) *Scheduling.* The BHA Department of Grievances and Appeals will schedule an informal hearing upon the receipt of a Participant's written request. The Participant will be given at least fourteen (14) days notice prior to the hearing date.

CHAPTER 14: Programs Administered by the Leased Housing Division and Special Housing Types

14.1 Family Unification Program

14.1.1 General Description

The Family Unification Program (FUP) is a program for Families referred to the BHA by the Department of Social Services (DSSDCF). Once the Family is determined to qualify by DSSDCF, the referral form for the Applicant is forwarded to the BHA. DSSDCF provides the BHA with a completed Family certification form which will certify whether the lack of adequate housing is a primary factor in the imminent placement of a Family's child or children in out-of-home care or in the delay of reuniting a child or children who are in out of home care with the Family. The BHA will notify DSSDCF when the waiting lists opens and DSSDCF may refer Applicants to the waiting list at that time. See also section 14.1.5.

14.1.2 Goals of the FUP

The goal of the FUP is to help Families within the child welfare system to find affordable and decent housing in a safe and supportive environment.

14.1.3 DSSDCF Role in the FUP

The mission of the DSSDCF is to protect children and provide preventative services which aid and support a Family environment. DSSDCF experience indicates that housing is unequivocally a critical element to the stability of any Family. As part of the DSSDCF role in protecting children who have been abused, DSSDCF provides services which enable children to occupy a safe, caring home. Therefore, the DSSDCF is pleased to commit the necessary resources to the FUP.

14.1.4 Placement Definitions that Qualify Families for FUP

The following definitions have been established to identify the Applicants who may be eligible to participate in the Family Unification Program.

(a) For families with children in placement:

- (1) Children are in placement as documented by an "Authorization for Placement Services" provided by the Department of Social Services, or a private agency acting on behalf of the Department; and
- (2) Children are remaining in placement due to lack of adequate housing as documented by the child's Family Assessment, the Service Plan, the Progress Supervisory Review Form, or other written documentation authorized by the area director; or

- (3) Children are to be returned to the Family as documented by the Service Plan, where the return date is past or pending within 90 days, and lack of adequate housing is a documented barrier to the plan with respect to the reunification of Family in a residence/home.

(b) For families with children not in placement:

- (1) Lack of adequate housing has been identified; and the Family is unable to find safe, decent and affordable permanent housing; the Family is at risk of out-of-home care for their children due to homelessness.
- (2) Lack of adequate housing exists if the Family lives in substandard housing, the Family is homeless, the Family is displaced by Domestic Violence, or the Family is living in an Overcrowded Unit.
- (3) A person who is imprisoned or otherwise detained pursuant to an Act of the United States Congress or a Federal or State Law will not be eligible to become a member of the Family Composition under the Family Unification Program.

14.1.5 Identifying Eligible Family Unification Program Families

DSSDCF will identify Families who appear to meet the eligibility for the FUP. DSSDCF will certify whether the lack of adequate housing is a primary factor in the imminent placement of a Family's child or children in out-of-home care or in the delay of reuniting children who are in out-of-home care with the Family. This certification form is completed by DSSDCF. The certification is approved by a DSSDCF supervisor and then forwarded to the Regional Office FUP Coordinator who will make the final determination of eligibility for the FUP. Once the Family is determined to qualify by DSSDCF, the referral form for the Applicant is forwarded to the BHA. The BHA shall maintain a FUP waiting list. If all slots in the FUP are full, the Applicant/Participant is placed on the FUP waiting list according to the date and time of application. Such waiting list shall be closed if the BHA receives a sufficient number of Applicants to maintain an adequate waiting list and the BHA notifies Applicants that the waiting period has become excessive. The BHA will notify DSSDCF when the waiting lists opens and DSSDCF may continue to refer Applicants to the waiting list at that time. The BHA will make a determination of final eligibility for the Housing Choice Voucher Program for a FUP Applicant.

14.1.6 Foster Youth To Independence (FYI)

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Public housing agencies (PHAs) administer FUP (including FYI) in partnership with Public Child Welfare Agencies (PCWAs), who are responsible for referring families and youth to the PHA for a determination of eligibility for FUP rental assistance. Once the PCWA makes the referral, the PHA places the FUP applicant on its waiting list,⁽³⁾ determines whether the family or youth meets HCV program eligibility requirements, and conducts all other processes relating to voucher issuance and administration. The PCWA is responsible for providing or leveraging follow-up supportive services, such as educational counseling and job preparation, for the period defined in the notice or Notice of Funding Availability/Opportunity (NOFA/O) for which the funding was made available.

FYI assistance, is subject to a 36-month time limit. However, eligible youth may request and extension of /FYI voucher assistance for up to 24 months beyond the 36-month time limit of assistance if they are participating in an FSS program.

An eligible youth who is participating in the Family Self-Sufficiency (FSS) program is entitled to receive FYI assistance for up to an additional 24 months beyond the 36-month time limit of assistance as long as the youth is in compliance with the applicable terms and conditions of the FSS program.

A PHA that carries out an FSS program must inform the FYI youth of the availability of the FSS program at the time the voucher is issued and offer them an FSS slot, if available, or offer to place them on the FSS waiting list.

At the 36-month and 48-month reexaminations, the PHA must extend the FYI voucher assistance if the youth is participating in and in compliance with the FSS program as long as the youth is still eligible for the HCV program. In any case, the FYI youth cannot receive more than a total of 60 months of FYI voucher assistance even if the FSS Contract of Participation time period extends beyond the FYI voucher 60-month mark.

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Families cannot be required to participate in the FSS program as a condition of receipt of assistance under the HCV program, including FYI assistance. However, only FYI youth that sign an FSS Contract of Participation and comply with the requirements of the FSS program are entitled to receive an extension of the time limit for voucher assistance under this statutory provision. FYI youth must participate in the FSS program if it is available to them in order to receive the extension of the time limit for voucher assistance unless the youth meets one of the statutory exceptions described below.

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(a) Extension of Assistance Exceptions

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1. FYI youth is a parent or other household member responsible for the care of a dependent child under the age of 6 or for the care of an incapacitated person.

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2. FYI youth is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

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3. The FYI youth is a person who is incapable of complying with the requirement to participate in a Family Self-Sufficiency (FSS) program as described in paragraph (a) above or engage in education, workforce development, or employment activities as described in paragraph (b) above, as applicable, due to a documented medical condition.

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14.2 Non-Elderly Disabled Housing Program (Mainstream Program)

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The Non-Elderly Disabled Housing Program (Mainstream Program) is designed to provide housing assistance in the form of a one-bedroom voucher to a Disabled Person who is under the age of sixty-two (62). In addition to Section 8 assistance, the BHA has created a network of services to aid Mainstream Program Applicants and Participants in their search for housing. These services include referrals to agencies within the Boston area who offer support such as housing search assistance, information on disability issues, and advocacy services for a Disabled Person.

A Mainstream Program Applicant will be required to verify their disability by presenting the Disabled Certification Form signed by a medical or rehabilitation professional or qualified non-medical service agency whose function is to provide services to the Disabled. The Applicant will also have to meet income guidelines set by the Section 8 program and must also be eligible for a one-bedroom Apartment under BHA Subsidy Standards. After all eligibility requirements for the Section 8 program and the Mainstream Program have been determined, an eligible individual is offered a Voucher to begin searching for housing. As a Reasonable Accommodation, Mainstream program Participants shall be offered a two-bedroom Voucher if the BHA approves the Participant's request for a Live-In-Aide as an exception to the BHA's Subsidy Standards.

An Applicant who meets the definition of a Disabled Person and qualifies for a one-bedroom Voucher will be taken in the order of the BHA waiting list (based on date and time of application). An Applicant will be required to complete the requisite certification form regarding the existence of a Disability. An Applicant on the waiting list will also be required to provide documented proof of their Priority status. Respondents to this notification will be placed onto a separate, Non-Elderly Disabled Housing Program waiting list. Such waiting list shall be closed if the BHA receives a sufficient number of Applicants to maintain an adequate waiting list. The BHA will give public notice in a local newspaper of general circulation, neighborhood newspapers, and also by Minority media whenever the BHA is opening the waiting list to Applicants and will state where and when to apply.

14.3 Family Self-Sufficiency (FSS) Program

14.3.1 Introduction

The BHA developed its FSS Program for current HCVP Participants. The FSS Program is voluntary and offers Families an opportunity to receive supportive services as they work towards economic self-sufficiency by building savings through an escrow account. The BHA surveys all HCVP Participants to determine interest in participating in the FSS program. An interested Participant will be given an opportunity to apply for the FSS Program.

14.3.2 Eligibility and Recruitment

The FSS Program is open to current HCVP Participants (including Homeownership), as well as current Moderate Rehabilitation Participants. The BHA periodically surveys all HCVP Participants to determine their interest in the program. To facilitate this effort, a brochure has been developed to promote the program. Leasing Officers discuss the availability of the FSS Program to Applicants/Participants when they attend their annual Recertification appointment. Applicants/Participants who indicate an interest in the program are placed on a waiting list and invited to a group or individual information/intake appointment and provided with the opportunity to apply for the FSS Program. People will be invited in order, i.e. "first come, first served". When a participant in the BHA's Public Housing FSS program becomes a participant in the Housing Choice Voucher program via Super Priority they shall be permitted to transfer their FSS participation as well.

14.3.3 Individual Training & Service Plan (IT&SP) and FSS Contract

The BHA employs coordinators whose primary duties are to work with FSS Families, and may also partner with outside partner(s) to provide additional supportive services. The FSS Coordinator performs a "needs assessment" of each Applicant in order to determine what services are necessary for the Family to achieve the goal of self-sufficiency. The Coordinator uses the "needs assessment" to develop an Individual Training and Service Plan (IT&SP) for the Family. This plan breaks the large goal of self-sufficiency into smaller interim goals and outlines the activities and services necessary, along with an estimated time frame to achieve these goals. Interim goals help the FSS Coordinator and the Family to measure success and are required by HUD regulations.

Upon completion of the IT&SP, the FSS Coordinator will prepare the Family's FSS Contract of Participation. The FSS Contract includes the effective date, term, responsibilities of the Family and BHA and provisions for establishing an escrow account. Both the Contract and the IT&SP are explained by the FSS Coordinator who also obtains any release of Information forms necessary to monitor the plan and contract. The IT&SP and FSS Contract are signed by both the ~~Head of Household~~ Head of FSS family (the designated adult family member of the FSS Family who has

signed the COP) and the FSS Coordinator. The term of the FSS Contract is for five years and may be extended for up to two years.

14.3.4 Monitoring/Case Management

The FSS Coordinator monitors the IT&SP during the term of the FSS Contract and provides case management services. The FSS Coordinator links the Family with services and provides support to help the Family achieve its goals. Individual appointments are scheduled as necessary and the FSS Coordinator is also available by telephone for crisis intervention to help the Family achieve the goals set forth in the FSS Contract. FSS Participants are required to keep at least 2 appointments per year, although many Participants will meet with their FSS Coordinator on a much more frequent basis. Workshops are held for FSS Participants throughout the year and include topics such as budgeting, credit repair, homeownership and stress management.

14.3.5 Escrow Account

The FSS program requires establishment of an escrow account. The FSS Coordinator explains the process for creation and maintenance of the FSS escrow account during the initial intake/information session and at the time of FSS Contract execution. The BHA uses Housing Assistance funds paid by HUD for the FSS Escrow deposits. The figures of Annual Income, Earned Income and Total Tenant Payment (TTP) on the FSS Contract of Participation become the baseline for future escrow calculations. If the Family's TTP increases due to an increase in earned income beyond the baseline figures, the difference is escrowed. When the BHA calculates that the FSS Participant is entitled to its first FSS credit (generally at the annual or interim re-certification), an escrow account will be established. The BHA will utilize an escrow account credit worksheet to calculate the amount to be deposited into the escrow account. The BHA is required to deposit all escrowed funds into a single depository account for the entire FSS Program so that the IRS will not count the funds or interest for purposes of income tax. Funds held by the BHA will be invested in HUD-approved investments specified in HUD Handbook 7475. FSS Participants will receive an annual report on the status of their escrow funds at the end of each fiscal year.

The amount in the FSS account, in excess of any money owed to the BHA, is paid to the ~~Head of FSS Family~~ Head of Household upon successful completion of the FSS Contract. The BHA may disburse a portion of the FSS account before the end of the Contract if the Participant has fulfilled certain interim goal(s) and the money is necessary for completion of the FSS Contract goals.

Escrow deposits are made by the BHA on the assumption of rent paid by the tenant. If a Family does not pay their rent to the their landlord the escrow funds may be forfeited because failure to comply with the lease is a Family obligation under the FSS program. Nonpayment of rent is

grounds for terminating a Family's FSS participation and subsidy and forfeiture of the escrow. See section 13.2.1.

If a program Participant is terminated from the HCVP at any point during the term of the FSS contract, or if the Family is still receiving Temporary Aid for Needy Families (TANF) benefits at the end of the term of the Contract of Participation, the Family's accumulated escrow account will be returned to the BHA. The BHA will use such funds for HUD approved expenses and will be treated as additional program receipts.

14.3.6 Portability

Participating FSS Families are required to Lease an Apartment within the Commonwealth of Massachusetts for the first twelve months of the contract. After this period, a Family may utilize Portability. An FSS Family that chooses to move outside Boston must meet with the Coordinator to determine the best course for their FSS participation. The following options may be available:

The Family continues in the BHA's FSS Program if they are able to maintain services and activities outlined in the IT&SP.

The Family may enter the FSS Program of the Receiving Housing Authority if this option is available. The Family must demonstrate that they will be able to complete the FSS Plan in the new area. The Family would enter an FSS Contract with the Receiving Housing Authority for the term remaining on the Family's contract with the BHA. The BHA will then terminate its contract with the Family.

If the Receiving Housing Authority does not have a FSS Program, or has no opening within its FSS Program, or the Family decides not to continue in the FSS Program, the BHA will terminate its FSS Contract with the Family and any escrow funds will revert back to the BHA. To ensure continuity of service, the BHA will provide opportunities for FSS Program participation for a Family coming into Boston.

14.3.7 FSS Contract Compliance

The IT&SP will be monitored by the FSS Coordinator. A FSS Participant is required to meet with the FSS Coordinator at least once a year to determine if the Family is complying with their plan. A FSS Participant who has not kept an appointment with the FSS Coordinator for one (1) year will be placed on probation. A FSS Participant who does not keep appointments for two (2) years will be sent proposed termination notices from the program. An FSS Participant must comply with the terms of the Lease, including payment of their rent share to the landlord.

If the FSS Coordinator determines that the Family is not keeping appointments with the FSS Coordinator, is failing to actively participate in activities according to the time frames specified in their contract or if they are in violation of any provision of their contract of participation, a

Individuals and families classified as recently homeless must be referred by the CoC or its designee.

14.8.4 Screening requirements

- (a) Mandatory Prohibitions
 - (1) Conviction of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing to EHV applicants.
 - (2) Lifetime registration requirement as a sex offender
- (b) Permissive Prohibitions
 - (1) If the PHA determines that any household member is currently engaged in, or has engaged in within the previous 12 months Violent criminal activity or other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity
 - (2) If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program within the previous 12 months.
 - (3) If the family engaged in or threatened abusive or violent behavior toward PHA personnel within the previous 12 months

14.8.5 Income Eligibility

The BHA must determine the Income Eligibility for EHV Applicants in accordance with 24 C.F.R. § 982.201 and Section 5.5.1 of this Administrative Plan

The BHA is adopting the following HUD waivers, as described in Notice PIH 2021-15

(a) Income Verification at Admissions

Third-party income verification requirements for EHV applicants and, alternatively, consider self-certification as the highest form of income verification at admission. Applicants must submit an affidavit attesting to reported income, assets, expenses and other factors which would affect an income eligibility determination. Additionally, applicants may provide third-party documentation which represents the applicant's income within the 60-day period prior to admission or voucher issuance but is not dated within 60 days of the PHA's request. For example, a Supplemental Security Income (SSI) benefit letter that was issued in November 2020 to represent the applicant's benefit amount for 2021 and was provided to the PHA in September 2021 would be an acceptable form of income verification.

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Once HUD makes the EIV data available to PHAs under this waiver and alternative requirement, the PHA must: review the EIV Income and Income Validation Tool (IVT). Reports to confirm/validate family-reported income within 90 days of the PIC-NG (see Section 15 of this notice below) submission date; print and maintain copies of the EIV Income and IVT Reports in the tenant file; and resolve any income discrepancy with the family within 60 days of the EIV Income or IVT Report dates.

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PHAs that conduct eligibility determinations under this waiver/alternative requirement will be responsible for addressing any material discrepancies (i.e., unreported income or a substantial difference in reported income) that may arise later and must take necessary enforcement actions if the tenant was never eligible due to their income, as well as initiate HUD-compliant payment plans for those whose unreported income was unintentional and do not make the tenant ineligible for the program accordingly.

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The adoption of this waiver does not authorize any ineligible family to receive assistance under these programs. If a PHA later determines that an ineligible family received assistance, the PHA must take steps to terminate that family from the program.

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(b) Eligibility Determination: Social Security Number and Citizenship Verification

The BHA has adopted policies to admit EHV applicants who are unable to provide the required SSN or citizenship documentation during the initial eligibility determination. As an alternative requirement, such individuals must provide the required documentation within 180 days of admission to be eligible for continued assistance pending verification, unless the PHA provides an extension based on evidence from the family or confirmation from the CoC or other partnering agency that the family has made a good-faith effort to obtain the documentation. If a family member appeals secondary verification of immigration documents, PHAs are reminded that assistance may not be delayed, denied, reduced or terminated on the basis of immigration status pending the completion of the appeal as described in § 5.514(e).

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Additionally, PHAs may accept self-certification of date of birth and disability status if a higher level of verification is not immediately available. If self-certification is used, the PHA must obtain a higher level of verification within 90 days of admission or verify the information in EIV.

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The adoption of this waiver does not authorize any ineligible family to receive assistance under these programs. If a PHA determines that an

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ineligible family received assistance, the PHA must take steps to terminate that family from the program.

14.8.6 Initial Term of the Voucher

The EHV voucher must have an initial search term of 120 days, which is the same as the initial search term required by this Administrative Plan. See Section 7.2 for the policies regarding initial voucher term length and term extensions and suspensions.

14.8.7 Initial Lease Term

Initial lease terms may be less than one-year for EHV Participants, regardless of whether the shorter term is prevailing market practice (HUD waiver of 24 C.F.R. 982.309 (a)(2)(ii)).

14.8.8 Portability of EHV Vouchers

The normal HCV portability procedures and requirements generally apply to EHV's with the following exceptions.

a. No prohibition on portability for non-resident applicants

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

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

b. Portability billing and absorption

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

If the EHV family moves under portability to another PHA that administers EHV's under its own ACC:

1. The receiving PHA may only absorb the incoming EHV family with an EHV (assuming it has an EHV voucher available to do). If the PHA does not have an EHV available to absorb the family, it must bill the initial PHA. The receiving PHA must allow the family to lease the unit

CHAPTER 15: HOMEOWNERSHIP OPTION

15.1 INTRODUCTION

The BHA's Section 8 Homeownership Option of the Housing Choice Voucher Program ("homeownership program" or "homeownership assistance") is designed to promote and support homeownership by a "first-time" homeowner—a Family that moves for the first time from rental housing to a Family-owned Home. Under the Homeownership Program, HCVP Assistance payments supplement the Family's own income to facilitate the transition from rental to homeownership. The initial availability of assistance payments may also provide additional assurance to lenders.

The BHA's Section 8 Homeownership program is generally limited to First-Time Homeowners first time home buyers who are currently Participants in the Section 8 Tenant-Based Program current Housing Choice Voucher program Participants or BHA Public Housing Residents. Public Housing residents may qualify for the Homeownership Voucher once they meet eligibility requirements. Residents shall be placed on a list and given priority status to allow them to accomplish the home purchase.

The BHA will market the homeownership option on its website and through regular communications to families. At the initial briefing of Section 8 Participant Families, the BHA will inform the Participant Family of the homeownership option. Family participation in the Homeownership program is voluntary. However, the BHA may limit the number of homeownership program families.

All s, and there are statutory Family eligibility requirements such as a minimum level of income and a history of full-time employment. (The employment history requirement is not applicable to Elderly and Disabled families, and there is a modified income requirement for Elderly and Disabled families.)

~~The BHA has chosen to require participation in the Family Self-Sufficiency (FSS) program as a criterion for eligibility unless the Family qualifies for a waiver. See also section 14.3. Participation in the FSS Program is open to all Section 8 Participants. Requests for an exception to the FSS requirement will be evaluated on a case-by-case basis. Families requesting a waiver must meet all other eligibility criteria, including income and employment requirements. Participation in the FSS Program may also be waived if necessary as a Reasonable Accommodation for a Disabled Person.~~

Once a Family has been determined by the BHA to be preliminarily eligible for Homeownership assistance, the Family must attend pre-purchase homeownership counseling sessions conducted by another entity such as a HUD- and BHA-approved housing counseling agency and FSS counseling sessions conducted by BHA staff.

If determined eligible for a Homeownership Voucher, the Family will then arrange for an independent home inspection, and seek to obtain financing. Homeownership assistance will begin when the Family purchases the Home and after all of the requirements of the homeownership program are met.

All civil rights laws applicable to the Section 8 Housing Choice Voucher Program are applicable to the homeownership program. The BHA must comply with all equal opportunity and nondiscrimination requirements imposed by contract or Federal law. In addition, the BHA may not steer families to particular units or neighborhoods. Further, as in the tenant-based rental Voucher program, the BHA must provide assistance to expand housing opportunities.

If a Family includes any Disabled Person, the BHA will take appropriate steps to ensure effective communication with such Family in accordance with 24 C.F.R. part 8 and to provide Reasonable Accommodation. Except as otherwise provided, no Disabled Person shall be denied the benefits of, excluded from participation in, or otherwise subjected to discrimination because the BHA's facilities are inaccessible to a person with a disability. Accessibility for the hearing impaired is provided by the TDD/TDY telephone number. The BHA will also take reasonable steps to insure effective communication with people with limited language or English ability.

The process for submitting applications or any other documents required for participation in the BHA's programs shall be accessible to all persons. All communications that are part of the process should be in plain language that the applicant can understand, in a form that is appropriate to meet the needs of the person with a disability. If necessary, a format other than written documents will be used. The BHA shall also prepare such documents in clear and simple language, to the extent possible, to assist persons with learning and cognitive disabilities. If requested by persons with such disabilities, BHA staff will explain written material verbally, and possibly more than once, and if necessary, assist the individuals or obtain assistance for them in filling out any necessary forms.

The BHA shall furnish appropriate auxiliary aids (e.g., qualified sign language and oral interpreters, readers, use of taped materials) where necessary to facilitate communication with an individual who has a disability. Auxiliary aids shall be furnished in a timely manner. If a Participant requests an extension of any deadline because of a delay in providing effective communication, such a request shall be considered. The BHA is not required to provide personal items such as hearing aids, magnifying eyeglasses, or readers for personal study.

~~15.1.1 Why Participation in the Family Self-Sufficiency Program?~~

~~The goals of the Homeownership Option are two-fold: to help families achieve the dream of homeownership and to assist them in sustaining this dream for the long term. Participation in the FSS Program is a requirement for Applicants who do not meet the FSS waiver requirements of the Homeownership program because it is an excellent way to establish the financial foundation necessary for owning a Home. The path to homeownership begins where the FSS Program begins: with a realistic assessment of income, savings and credit status. Furthermore, the escrow account component of the FSS Program allows low-income families to accumulate substantial savings over the term of their contract as their income increases.~~

The homebuyer counseling portion of the FSS Program includes in-depth, ongoing sessions on the home buying process including the purchase and sale, the role of the lender, etc. The sessions will feature guest speakers from lending institutions, attorneys, housing inspectors and appraisers, as well as FSS "graduates" who have purchased homes.

The FSS/ Homeownership Counseling will offer long-term assistance to families, enabling them to:

- Build a good job history
- Minimize their debt
- Preserve a good credit rating
- Accumulate adequate savings

Homeownership may provide many individual opportunities for Participant families but it will require that a Family commit to building a strong financial foundation on which those opportunities are preserved for an extended period of time. The Department of Housing and Urban Development (HUD) emphasizes the need for adequate counseling assistance under this program as the regulations only allow the Family to have one chance at receiving homeownership assistance. HUD regulations state that the Family is not eligible if any Family member has previously received homeownership assistance and defaulted on a mortgage.

Initial eligibility for the BHA Section 8 Voucher program has historically been based on the Family's status both as "low income" and "homeless or imminently in danger of homelessness". Thus, families begin participation in the Section 8 program with incomes that are woefully inadequate in terms of qualifying for a mortgage. Additionally, families who are new to the Section 8 program are initially striving to stabilize their families and recover from the housing-related emergency that qualified them for the program. Hence, families are generally not prepared to provide potential lenders with a good work history, credit report and evidence of savings. These things take time to build.

The FSS Program is a perfect fit with the Homeownership program as it combines the Family's plan to achieve clearly articulated financial goals with the opportunity for homeownership. The ultimate goal for most current FSS Program Participants already under a 5-year FSS Individual Training and Service Plan contract is homeownership.

Several FSS Participants have successfully purchased housing after successfully completing their FSS Contract. All of these families left Section 8 assistance and became private homeowners. Many of these successful homebuyers required more intensive assistance than the average homebuyer and have recommended that Section 8 families contemplating homeownership be offered a year or more of counseling. The Neighborworks Network's 2001 report "Using Section 8 Vouchers for Homeownership", recorded the following comments regarding the FSS Program:

- Counseling for Section 8 Homeownership can take up to three times longer than for a traditional first-time homebuyer. The counseling needed is intense and usually takes the form of one-on-one assistance.
- Involvement in the FSS Program is key to creating strong borrowers.
- Due to FSS participation and an FSS escrow account a Family may have a substantial down payment.

Homeownership is a nearly universal goal for most Americans. Unfortunately, many low income families who have been left out of the American economic mainstream may not realize the enormous responsibilities, expenses, and realities that homeownership involves, especially in a tight housing market. FSS, with its emphasis on goals that move people into employment and help families improve their financial situations, is a natural link between Section 8 families and homeownership.

15.1.2 Keys to a Successful Section 8 Homeownership Program

Education - The BHA program will work with families very early in the process to alert them to potential barriers to homeownership, and assist families to develop and execute a plan to address those barriers.

Partnerships - The BHA FSS/Homeownership counseling program will leverage local resources. Partnerships between the public and private sectors will enable families to access funds for down payment and closing costs, attend consumer counseling courses to improve credit, and utilize career counseling services to improve income.

15.2 Eligibility

15.2.1 How to Qualify for Homeownership Assistance

To qualify for assistance under the homeownership option, a Family must meet the general requirements for admission to the BHA's Section 8 tenant-based Voucher program and additional requirements for homeownership assistance (See 24 C.F.R. § 982.627). The BHA may not provide homeownership assistance for a Family unless the BHA determines that the Family satisfies all of the following initial requirements at commencement of homeownership assistance for the Family:

- The Family satisfies the minimum income requirements described in 24 C.F.R. § 982.627(c); and
- The Family satisfies the additional income requirements set by the BHA to obtain a waiver from participation in the FSS Program. The additional income requirements are as follows:

- (1) Participant Family must be above 50% median income;
- (2) Must have at least two years of continuous employment
- (3) Must have a down payment (3% total and 1% must be from the Family's own funds)
- (c) The Family satisfies the employment requirements described in 24 C.F.R. § 982.627(d);
- (d) The Family has not defaulted on a mortgage securing debt to purchase a Home under the homeownership option (see 24 C.F.R. § 982.627(e);
- (e) No Family member has a Present Ownership Interest in a residence at the commencement of homeownership assistance for the purchase of any Home, except for Cooperative Members who have acquired Cooperative Membership Shares prior to the commencement of homeownership assistance;
- (f) The Family has entered into a contract of sale/purchase and sales agreement in accordance with 24 C.F.R. § 982.631(c), except for Cooperative Members who have acquired Cooperative Membership Shares prior to the commencement of homeownership assistance.

15.2.2 Family be a First-Time Homeowner

To qualify as a "First-Time Homeowner," no member of the assisted Family may own or have owned a Present Ownership Interest in a residence of any Family member during the three years preceding the commencement of homeownership assistance for the Family (regulatory definition at 24 C.F.R. § 982.4; statutory definition at 42 U.S.C 1437f(y)(7)(A)). Such interest includes ownership of title or of Cooperative Membership Shares. However, an assisted Family that meets the regulatory definition of "Cooperative Member" found at 24 C.F.R. § 982.4, qualifies to participate in the Section 8 homeownership program under the regulation regarding First-Time Homeowner requirements found at 24 C.F.R. § 982.627. The right to purchase title under a Lease-purchase agreement does not constitute a prohibited Present Ownership Interest. The term First-Time Homeowner includes a single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse, and includes a Disabled Family, and participation in the Homeownership program is needed as a Reasonable Accommodation so that the program is readily accessible to, and usable by, a Disabled Person.

The restriction to "first-time" homeowners is intended to direct homeownership assistance to "new" homeowners who may be unable to purchase a Home without this assistance, but to discourage use of Section 8 subsidy on behalf of families who have achieved

homeownership independently, without benefit of the Federal Section 8 subsidy.

In addition, the BHA may not commence homeownership assistance for a Family if any Family member has previously received assistance under the homeownership program and has defaulted on a mortgage securing debt incurred to purchase the Home. See 24 C.F.R. § 982.627(e).

The Section 8 Homeownership program authorizes homeownership assistance for a Family that "owns or is acquiring shares in a Cooperative." The program allows assistance for a Family that already owns Cooperative shares in the Unit in which the Section 8 Homeownership assistance will be utilized before commencement of Section 8 homeownership assistance, not just for a Family that acquires the Cooperative shares for the first time with the support of such assistance.

The Section 8 Homeownership Program also permits the use of Section 8 homeownership assistance by a Family that purchases a Home that the Family previously occupied under a "Lease-purchase agreement"--generally a Lease with option to purchase. The Housing Assistance Payment for a Lease-purchase Unit may not exceed the amount that would be paid on behalf of the Family if the rental Unit was not subject to a Lease-purchase agreement. Any "homeownership premium" included in the rent to the Owner that would result in a higher subsidy amount than would otherwise be paid by the BHA must be absorbed by the Family. "Homeownership premium" is defined as an increment of value attributable to the value of the Lease-purchase right or agreement such as an extra monthly payment to accumulate a down payment or reduce the purchase price. Families are permitted to pay an extra amount out-of-pocket to the Owner for purchase related expenses.

Lease-purchase agreements are considered rental, and all the normal tenant-based Section 8 rental rules are applicable. The Family will be subject to the Homeownership regulatory requirements at the time the Family is ready to exercise the homeownership option under the Lease-purchase agreement. At that point in time, the BHA will determine whether the Family is eligible for Section 8 homeownership assistance (e.g., whether the Family meets the income and employment thresholds and any other criteria established by the BHA).

15.2.3 Minimum Income Requirement

~~To enter the HCVP, a Family must be income-eligible (i.e., below the maximum income cutoff). However, to qualify for the Homeownership option in the Voucher program, Family income must be above 50% of the area median income or the minimum wage time 2000 hours whichever is greater, the Family must demonstrate sufficient income to meet a minimum income standard, which is intended to assure that a Family will have sufficient income to pay homeownership and other Family expenses not covered by the Section 8 subsidy.~~

The Section 8 Homeownership program provides that a Family may not receive homeownership assistance unless the Family demonstrates that gross annual income of the adult Family members who will own the Home is not less than the federal minimum multiplied by 2,000 hours. The adult Family members who will own the Home at the commencement of the homeownership assistance (not only the Head of Household and spouse) (excluding income from any person who is not an adult and Owner) must have annual income (gross income) that is not less than the minimum income requirement.

In the case of a Disabled Family (but not an Elderly Family) the minimum annual income shall be the monthly federal Supplemental Security Income (SSI) benefit for an individual living alone (or paying his or her share of food and housing costs) multiplied by 12.

Any minimum income requirement will only be applied to determine initial qualification to purchase a particular Home, not as a continuing eligibility requirement. The minimum income requirement will only apply again if the Family purchases a subsequent Home with Section 8 homeownership assistance.

The income counted in meeting any minimum income requirement under the homeownership program must come from sources other than Welfare Assistance. The BHA may limit homeownership assistance to families with substantial non-welfare income available to pay housing and non-housing costs. However, the law provides that HUD may count Welfare Assistance in determining availability of Voucher homeownership assistance for an Elderly or disabled Family (in which the Head of Household or spouse is an Elderly or Disabled Person). The term "Welfare Assistance" is defined in HUD's regulations at 24 C.F.R. § 5.603 or any succeeding provision, and includes welfare or other payments to individuals or families, based on need, that are made under programs funded, separately or jointly, by Federal, State, or local governments, such as Temporary Aid to Needy Families (TANF), or Supplemental Security Income (SSI).

The requirement to disregard Welfare Assistance income only applies in determining whether a Family has the minimum income to qualify for homeownership assistance. However, Welfare Assistance income is counted for other program purposes: in determining income-eligibility for admission to the Voucher program; in calculating the amount of the Family's Total Tenant Payment (gross Family contribution); and in calculating the amount of the monthly homeownership assistance payment for a Family assisted under the homeownership program.

For an Elderly or Disabled Family, the BHA will count Welfare Assistance income of the adult Family members who will own the Home in determining whether a Family has the minimum income to qualify for homeownership assistance. This requirement to count Welfare Assistance in determining whether a Family has the minimum income to

qualify for homeownership assistance only applies, however, to Families that satisfy the statutory definition of an Elderly or Disabled Family. The requirement to count Welfare Assistance income does not apply in the case of a Family that includes a Disabled Person other than the Head of Household or spouse (and where the Head of Household or spouse is not Elderly or Disabled).

Notwithstanding the minimum income requirement as set by law, the decision as to whether or not a Family actually qualifies for and obtains financing based upon its income is left to the discretion of the lender.

15.2.4 Family Employment Requirement

Except as provided by HUD, at the time that the Family initially receives homeownership assistance, the Family must demonstrate that one or more adult members of the Family who will own the Home at commencement of homeownership assistance:

- Is currently employed on a full-time basis (the term "full-time employment" is defined to mean not less than an average of 30 hours per week); and
- Has been continuously so employed during the year before commencement of Homeownership assistance for the Family.

The BHA has the discretion to determine whether (and to what extent) an employment interruption is considered permissible in satisfying the employment requirement (e.g. maternity leave, or other leave authorized by federal and/or state law). The BHA may consider successive employment during the one-year period and self-employment in a business.

The employment requirement does not apply to an Elderly Family or a Disabled Family.

~~15.2.5 Participation in the BHA's Family Self-Sufficiency Program~~

~~The BHA has chosen to require FSS Program participation as a prerequisite to participation in its Homeownership Program unless Participants receive a waiver to FSS participation. Requests for an exception to this policy will be evaluated on a case-by-case basis. Families requesting an exception must still meet all other eligibility criteria, including income and employment requirements. The requirement may also be waived if necessary as a Reasonable Accommodation for a Disabled Person.~~

~~Participation in the Family Self-Sufficiency Program is voluntary for Section 8 Participants; current Participants in the Section 8 Voucher program are eligible. The Family Self-Sufficiency Program is designed to~~

promote employment and increase savings among families receiving Section 8 assistance. The Center on Budget and Policy Priorities has referred to it as "HUD's Best Kept Secret for Promoting Employment and Asset Growth".

There are two main components to FSS: case management and an escrow savings account.

(a) Case Management

Each FSS Family works with a case manager who develops an Individual Training and Service Plan and Contract that outlines how the Family will achieve and maintain economic self-sufficiency. Adult Family members who are parties to the FSS contract must obtain and maintain full-time (at least 30 hours per week) employment. No one in the Family may receive public assistance for at least the last year of the five-year contract. The case manager can help the Family access supportive services to help them achieve success in their plan. The services may include referrals for job training, education, healthcare, childcare and transportation assistance. In addition, the FSS Program provides workshops and training sessions on various money management skills including credit education and budgeting.

(b) Escrow Account

A Participant in the FSS Program, like most tenants in public or assisted housing, must pay a higher share of the rent when her/his income increases. Unlike other tenants, the FSS Participant, depending on their income, will have most or all of the increased rental charges put into an escrow savings account. The increased rental charges, plus interest, will be returned to the Participant upon successful completion of the program.

(c) How the FSS Escrow is Calculated

If an FSS Participant receives \$400 per month in TANF benefits when she enters the program, and after completing a training program gets a job that pays \$1,000 per month (and causes her to lose her TANF benefits), 30% of the increased income (i.e., 30% of \$600, which is \$180) is deposited in the FSS escrow account each subsequent month. If the Participant's earnings increase again during the FSS contract, the escrow deposit will increase as well. For example, if her earnings increase to \$1,200 per month, the escrow deposit will increase to \$240 per month (i.e., 30% of \$800, the difference between her initial income and her total earnings). If this Participant worked for 18 months at the initial salary and three years at the increased rate of pay before completing her FSS contract, she would accumulate a total of \$11,880 in her escrow account (18 months at \$180 per month and 36 months at \$240 per month). Barbara Sard *"The Family Self*

15.2.6 Other Eligibility Criteria

In addition to the above requirements, to qualify for the BHA's Section 8 Homeownership Program, applicants must:

- (a) Be a Participant or Resident in good standing in the BHA's Section 8 tenant-based assistance program. (See glossary for definition of a Participant in Good Standing.) The BHA will determine the BHA Homeownership Program eligibility of families with Homeownership Vouchers from other PHAs according to all of the BHA's homeownership program policies, as long as the BHA is still accepting new families into its homeownership program.
- (b) ~~Must be a~~ Have a Section 8 Voucher issued from Boston Housing Authority Participant or Resident.
- (c) ~~Be a current Participant in, or have successfully completed, the Boston Housing Authority's Section 8 FSS program. If the Family has completed the FSS Program, eligibility would depend on the Head of Household maintaining full-time employment (not required for Disabled Families), and no non-disabled member of the Family receiving public assistance other than Section 8.~~
- (d) Have successfully completed First-Time Homebuyer Education Classes, provided by the City of Boston's Department of Neighborhood Development or an equivalent program approved by the BHA.
- ~~(e) Have successfully completed the FSS homeownership counseling courses.~~
- (f) Have at least one percent (1%) of the purchase price for a down payment, which must come from the Family's own resources and may include funds from an FSS escrow account, plus a total of three percent (3%) of the purchase price for a down payment which may include grants from public or private agencies.
- ~~(g) Have been receiving Section 8 tenant-based rental assistance through the BHA or another PHA for a minimum of one year.~~
- (h) Agree to use the Home purchased with homeownership program assistance as the only residence.

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Eligibility will be determined through the application process.

15.3 Application Process

Final applications for the homeownership program will be given to interested and preliminarily qualified applicants upon request. Completed final applications will be reviewed for eligibility status. If an applicant is deemed ineligible and is denied, the BHA will afford the Family the right to an informal review regarding such denial.

If deemed eligible, the Family will be invited to an informational meeting organized by the FSS Program Coordinator. At this informational meeting, the following timeline will be explained:

- Step 1: Applicants are invited to an informational meeting and are advised of BHA approved first time homebuyer education classes available in the next eight (8) weeks.
- Step 2: The next step in the process will involve a six (6) to twelve (12) month FSS homeownership counseling course conducted by the BHA FSS Coordinator. At this step an FSS Individual Training and Service Plan and Contract is developed for each Family to address problems for the Family to correct such as poor credit history, low household income or other barriers to obtaining an adequate mortgage. This step may occur simultaneously with the classes described in Step 1.
- Step 3: After successfully completing a qualified first-time homebuyer courses and additional FSS counseling courses, the applicant should pre-qualify for a mortgage. After the applicant presents a certificate of completion of BHA approved homebuyer classes to the FSS Coordinator the BHA will issue the applicant a homeownership "Voucher". Once an applicant is issued a homeownership "Voucher", the applicant may start to look for a Home to purchase.

15.4 Homeownership Counseling

Experience with low-income homeownership programs has demonstrated that quality counseling is imperative for successful homeownership and prevention of mortgage defaults. In addition, counseling will assist families in making informed decisions when selecting the Home they wish to purchase.

Qualified applicants in this program must participate in and satisfactorily complete a qualified BHA approved first-time homebuyer classes before commencement of homeownership assistance. Suggested topics for the BHA-required pre-purchase counseling program include:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a Home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a Home, including information about homeownership opportunities;

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schools, and transportation in the BHA's Jurisdiction;

- Advantages of purchasing a Home in an area that does not have a high concentration of low-income families and how to locate Homes in such areas; and
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and Information about the Real Estate Settlement Procedures Act ("RESPA") (12 U.S.C. § 2601, et seq.), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The BHA may adapt subjects covered in pre-assistance and pre-purchase FSS counseling to local circumstances and the needs of individual families. The BHA will also require program Participants to attend ongoing post-purchase counseling after commencement of homeownership assistance.

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The counseling will be provided by another entity such as a BHA- and HUD-approved housing counseling agency. HUD-approved housing counseling agencies provide free counseling. The HUD field office will provide the BHA with a list of the HUD-approved counseling agencies. If an applicant does not attend a HUD-approved housing counseling agency to provide the counseling for families participating in the homeownership program, the BHA will ensure that any BHA-approved counseling program is consistent with the homeownership counseling provided by the HUD-approved counseling agencies.

First-time homebuyer class time must exceed 10 hours. Attending all classes, arriving on time, completing all assignments and fulfilling all requirements will lead to successful completion. For a Family with multiple adult members, all adults who will hold title to the property purchased through the program must attend all pre-purchase classes. The Family member(s) may attend separate sessions, and finish the program on different timetables, as their schedules permit. The BHA does not provide childcare assistance.

A qualified class must have been completed in the six (6) months prior to the BHA's issuance of the homeownership "Voucher". If an applicant has completed a qualified course more than six months prior to the issuance of the homeownership "Voucher", the applicant must provide the BHA with proof that the applicant's certificate of completion has not expired, or that the applicant has renewed such certificate by taking a BHA-approved "refresher" course.

15.5 Briefing Session

After the BHA has determined an applicant finally eligible to participate in the Homeownership program, the BHA will conduct a briefing session at which time it will issue applicants a homeownership "Voucher". This homeownership "Voucher" will be issued according to the BHA's Family Unit Size Subsidy Standards which are applicable to the Housing Choice Voucher Program. At this briefing session, the BHA must advise the Family of any deadlines on locating a Home, securing financing, and purchasing the Home. In establishing such time limits, the BHA should ensure that a Family who has executed a sales contract is provided reasonable time to close on the purchase of the Home.

The BHA briefing for both rental and homeownership families will explain:

- Where the Family may Lease or purchase a unit;
- How Portability works (if the Family qualifies to Lease or purchase a Unit outside the BHA Jurisdiction under Portability procedures); and
- The advantages of moving to an area that does not have a high concentration of poor families (if the Family is currently living in a high poverty census tract within the Jurisdiction of the BHA).

Further, if the Family includes any Disabled Person or a person with limited English ability, the BHA will take appropriate steps to ensure effective communication during the briefing in accordance with 24 C.F.R. § 8.6.

15.6 Homeownership Voucher Term

Upon issuance of Section 8 Homeownership "Voucher", the Family will have 180 days to enter into a Purchase and Sales Agreement. In the event a Family cannot find a Home that meets their needs in the allotted 180 days, BHA will determine if an extension should be granted. The extensions will be determined on a case-by-case basis.

15.7 Requirement for an Attorney and Recommendation for a Buyer's Agent

The BHA requires that all homeownership program families contract with an attorney prior to the execution of a Purchase and Sales Agreement. The BHA also recommends that families contract with a buyer's agent early in the process of searching for a Home. The attorney and, if applicable, the buyer's agent will ensure that the Family is protected in all aspects of house hunting and the transactions that follow.

15.8 Eligible Homes

The BHA will administer the Homeownership voucher for a Family that purchases a home within the area that the BHA administers BHA jurisdiction. The Home must be the Family's only residence and be a single Family Home with only one Unit, Cooperative, or condominium. The Family must be prepared to own and reside in the home for a minimum of one year.

The Family may look outside of the City of Boston. Families may search for Homes in other communities outside of the BHA's jurisdictions in the areas in which they where other public housing agencies (PHAs) offer the Section 8 Homeownership Program and are accepting new Families in to their program. A list of cities and towns with homeownership programs will be provided to applicants when the homeownership "Voucher" is issued.

In general, the Portability procedures for the Housing Choice Voucher Program apply to the homeownership program. When a Family that has a homeownership Voucher from another public housing authority chooses to purchase a Home in Boston, the BHA will evaluate that Family according to all of the BHA's

homeownership program policies, as long as the BHA is still accepting new families into its homeownership program. The BHA will evaluate whether the Family will be required to attend the briefing and counseling sessions required by the BHA. The BHA will determine whether the financing for and the physical condition of the Unit are acceptable.

15.9 Down Payments

The BHA requires a minimum down payment of three percent (3%). One percent (1%) of the down payment must come from the Family's own resources. A Participant in the FSS Program may use escrow funds toward any part of the down payment, including the one percent (1%) contribution from the Family's own resources, providing that the Family fulfills the other goals of the FSS Program as stated in the Family's Individual Training and Service Plan. There is no prohibition against utilizing several different resources for down payment assistance including grants from public or private agencies.

15.10 Inspections

The home chosen by the Family must pass an initial BHA Housing Quality Standards (HQS) inspection. (The HQS used for the Section 8 rental program is applicable to the homeownership program.) The BHA inspection is the same as the initial HQS inspection conducted by the BHA for the tenant-based rental assistance program. This inspection will indicate the current physical condition of the Unit and any repairs necessary to ensure that the Unit is safe and otherwise habitable under HQS standards. The BHA HQS inspection does not include an assessment of the adequacy and life span of the major building components, building systems, appliances and other structural components.

The only difference between the HQS inspection requirements for the tenant-based rental and homeownership programs is that the BHA is not required by the regulation to conduct annual inspections. The initial (prior to the commencement of housing assistance) HQS inspection is the only BHA inspection required for homeownership units during the entire time the Family is receiving Section 8 homeownership assistance. The BHA reserves the right to conduct additional HQS inspection(s) of a homeownership program Participant's Unit during the term of homeownership assistance for good cause.

In addition, prior to purchase the Family must select and pay for an independent, professional home inspector to conduct a home inspection. The independent professional home inspection is conducted by a private market home inspector (not BHA staff) that is experienced and qualified to conduct pre-purchase inspections for homebuyers. The purpose of the home inspection is the identification of home defects and an assessment of the adequacy and life span of the major building components, building systems, appliances and other structural components, radon and insect infestation. The BHA, the buyer's agent and Family will meet and discuss the inspection and corrections that need to be made.

The requirement for an inspection arranged by the buyer and satisfactory to the buyer is a required contingency clause in all purchase and sale contracts

according to HUD regulations. The ~~Section 8 Family~~ family selects the home inspector and pays the home inspector's fees. (The source of funds for Family payment of the home inspection may be a gift, Family savings or an inheritance, or sources other than Family own resources.) A copy of the inspection report must be provided to the Family and the BHA.

The BHA requires that the home inspector is certified by the American Society of Home Inspectors, has a Certified Massachusetts State Home Inspector License, and must carry Errors and Omission Insurance.

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The BHA will review the home inspector's report to determine whether repairs are necessary prior to purchase, and to generally assess whether the purchase transaction makes sense in light of the overall condition of the home and the likely costs of repairs and capital expenditures. For example, the home inspector's report might reveal foundation instability, and a defective roof and heating system that needs immediate replacement at great cost. Confronted with these facts the BHA would discuss the inspection results with the Family and decide whether to disapprove the Unit for assistance under the homeownership program because of the major physical problems and substantial correction costs, or whether it is feasible to have the seller make the necessary repairs prior to purchase.

15.11 Financing and Purchasing Requirements

A Family selected to participate in the Section 8 Homeownership program must secure their own financing. There are no Section 8 funds available for Home purchase financing. The Section 8 housing assistance will be provided monthly to a lender to help the Family meet Homeownership expenses.

The Family enters into a Purchase and Sale contract with the seller and is the party obligated by such contract. A copy of the Purchase and Sale contract must be provided to the BHA. Under federal law the contract must specify: the price and other terms of sale by the seller to the purchaser; provide that the purchaser will arrange for a pre-purchase inspection of the dwelling Unit by an independent inspector selected by the purchaser, provided that the purchaser is not obligated to purchase the Unit unless the inspection is satisfactory to the purchaser; provide that the purchaser is not obligated to pay for any necessary repairs; and contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under HUD regulations.

Under the homeownership program, a borrower may use Section 8 rental assistance to help the borrower qualify for a mortgage. It is anticipated that mortgage lenders will consider the Section 8 assistance when underwriting the loan. If purchase of the Home is financed with FHA-insured mortgage financing, such financing is subject to FHA mortgage insurance credit underwriting requirements. Otherwise, all traditional underwriting standards apply. The manner in which an individual lender may structure a particular loan product can vary.

The Family has the discretion to choose which lender they use but the BHA must approve the financing before it is finalized. The BHA may disapprove proposed

financing, refinancing, or other debt if the BHA determines that the debt is unaffordable, or if the BHA determines that the lender or loan terms do not meet the BHA's qualifications. In making this determination, the BHA may take into account other Family expenses, such as childcare, unreimbursed medical expenses, homeownership expenses, and other Family expenses as determined by the BHA. The BHA will not unreasonably withhold approval of financing. Generally, the BHA will withhold approval of financing to prevent the Family from falling victim to predatory lending practices.

~~It is the responsibility of the Family to secure its own financing for the purchase of the Home. The BHA will provide supportive services but only related to a Family's credit score, income and overall viability to obtain mortgage approval.~~

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The BHA will conduct a financing review to determine whether the monthly mortgage or loan payment is affordable after considering other Family expenses. The BHA may disapprove proposed financing, refinancing or other debt if the BHA determines that the debt is unaffordable.

The BHA will review seller-financing and variable rate financing on a case-by-case basis. The BHA may opt to prohibit seller financing, or to only allow seller financing in cases when the seller is a nonprofit or the purchase price can be clearly supported by an independent appraisal.

There is no prohibition against using local or State Community Development Block Grant ("CDBG") or other subsidized financing in conjunction with the Section 8 homeownership program.

The BHA requires a maximum loan to value ratio consistent with standard secondary market guidelines and prohibits balloon payments. The Family may not refinance, apply for an equity loan, or undertake any other loans using the Home as security without BHA approval.

15.12 Homeownership Housing Assistance Payment (HAP)

The homeownership Housing Assistance Payment will equal the lower of: (1) the Payment Standard minus the Total Tenant Payment; or (2) the monthly homeownership expenses minus the Total Tenant Payment. The Family is responsible for the monthly homeownership expenses not reimbursed by the Housing Assistance Payment. (Total Tenant Payment is higher of the minimum rent, 10 percent of Monthly Income, or 30 percent of monthly-adjusted income.) The BHA must use the Utility Allowance schedule and Payment Standard schedules applicable to the Housing Choice Voucher rental program.

BHA homeownership program Housing Assistance Payments will be made directly to the lender on behalf of the Family. The BHA will pay the excess amount, if any, directly to the Family.

Before the Housing Assistance Payments begins, the Family and the BHA must execute a "Statement of Homeowner Obligations." The Section 8 tenant-based HAP Contract, RTA and Lease addendum are not applicable to the Section 8 Homeownership program.

(c) Providing tenant information to owner.

- (1) The BHA will provide information to the owner in accordance with section 7.3.3:

16.5.6 Lease

(a) Tenant's legal capacity

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.

(b) Form of Lease

- (1) The tenant and the Owner must enter a written Lease for the Unit. The Lease must be executed by the Owner and the tenant.
- (2) If the Owner uses a standard Lease form for rental to unassisted tenants in the locality or the premises, the Lease must be in such a standard form, ~~except as provided in paragraph (b)(4) of this section. If the Owner does not use a standard Lease form for rental to unassisted tenants, the Owner may use another form of Lease, such as a BHA model Lease.~~
- (3) In all cases, the Lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.
- (4) ~~The BHA will review the Owner's Lease form to determine if the Lease complies with State and local law. The BHA may decline to approve the tenancy if the BHA determines that the Lease does not comply with state or local law.~~

(c) Required information

The Lease must specify all of the following:

- (1) The names of the Owner and the tenant;
- (2) The Unit rented (address, Apartment number, if any, and any other information needed to identify the leased contract unit);
- (3) The term of the Lease (initial term and any provision for renewal);

Apartment - Residential space for the private use of a Family. Also referred to as a Unit.

Applicant (Applicant Family) - A Family that has applied for Admission to a program but is not yet a Participant.

Appointment – the use of “appointment” in this Plan may mean: a telephone call, a written exchange (e.g. email), a virtual meeting or an in person meeting.

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Assets - Assets generally means cash which is accessible to a person including: checking and savings accounts, stocks, bonds, equity in real property, and the cash value of tangible personal property such as furniture, automobiles and household effects. (Certain types of tangible personal property are included, such as coin collections or jewelry, but essential tangible personal property reasonably necessary for everyday living, such as furniture and automobiles are not included. For included real or personal property holdings, the value of the asset is the cash amount that would remain if the resident converted the asset to cash and deducted any outstanding mortgages, liens or selling expenses.)²⁴

Assisted Lease (Lease) - A written agreement between an Owner and a Family for the leasing of a dwelling Unit to the Family. The Lease establishes the conditions for occupancy of the dwelling Unit by a Family with Housing Assistance Payments under a HAP Contract between the Owner and the housing authority.

Area Median Income (AMI) - The median income of the greater Boston area as determined by HUD.

Base Rent - The base rent is calculated using the rent charged for the Unit or the estimated costs to the Owner of owning, managing and maintaining the rehabilitated unit.

Bedroom Size – See Unit Size.

Child - For purposes of Citizenship regulations, a member of the Family other than the Family head or spouse who is under 18 years of age.

Child Care Expenses - Amounts anticipated to be paid by the Family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a Family member to actively seek employment, be gainfully employed, or to further his or her education, and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen - A Citizen or National of the United States.

Co-Head of Household - A person who, with the Head of Household, assumes the responsibility and accountability for the Family and signs the Lease. The Co-Head of

²⁴ For more guidance on assets see HUD Handbook 4350.3, REV-1