

**NOTICE OF REGULAR MEETING OF THE
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS**

The Housing Authority of the City of Reno (Agency) will conduct a public meeting:

MEETING DATE: Tuesday, February 27, 2024
TIME: 12:00 p.m. (Approximately)
PLACE: Reno Housing Authority Boardroom
1525 East Ninth Street, Reno, Nevada

Persons wishing to provide public comment may participate during the scheduled meeting by commenting in person during the course of the meeting, or address their comments, data, views, arguments in written form to Hilary Lopez, Ph.D., Executive Director, Housing Authority of the City of Reno, 1525 East 9th Street, Reno, NV 89512-3012, Fax: 775.786.1712; e-mail address: HLopez@renoha.org. Written submission should be received by the Board on or before, February 26, 2024, by 5:00 p.m., in order to make copies available to members of the Board and the public.

Below is an agenda of all items scheduled to be considered. At the discretion of the chairperson or the Board, items on the agenda may be taken out of order; the Board may combine two or more agenda items for consideration, and the Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. The public is advised that one or more members of the Board may participate in the meeting via electronic means.

AGENDA

- Call to order and roll call.
- Introduction of guests.
- First Period of Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public are limited to three minutes per person.
- Approval of agenda. (For Possible Action)
 1. Presentation of financial audit from Justin Measley, Certified Public Accountant with CliftonLarsonAllen LLP. (Discussion)
 2. Approval of the minutes of the Annual Board Retreat held December 15, 2023, the special meeting held January 4, 2024, and the closed session meeting held January 4, 2024. (For Possible Action)
 3. Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board member.) (For Possible Action)

- a) Possible adoption of Resolution 24-02-01 RH approving a revision to the Housing Authority of the City of Reno's Administrative (ADMIN) Plan for Section 8 Housing Choice Voucher and Project Based Voucher Programs to update policies as they relate to the HUD-VASH program, the use of special housing types, and the Emergency Housing Voucher (EHV) Incentive Program.
 - b) Possible adoption of Resolution 24-02-02 RH, which if approved will allow the Executive Director to submit a Disposition Application through the US Department of Housing and Urban Development ("HUD") Special Application Center to dispose of Public Housing program units located at Silverada Manor.
4. Commissioner Reports. (Discussion)
 5. Executive Director/Secretary's Report. (Discussion)
 - A. Update on Agency activities
 - B. Update on Rental Assistance Voucher Programs / Asset Management
 - C. Update on Workforce Development, Elderly Services, and Youth activities
 - D. Update on Public Affairs activities
 - E. Update on Development activities
 - F. Update on Information Technology activities
 - G. Update on MTW activities
 - H. Update on Legal Inquiries
 - I. Financials
 6. Discussion and possible action on the Performance Evaluation of Dr. Hilary Lopez, RHA Executive Director, to consider her job performance, professional competence, character, and any alleged misconduct within the context of her performance. Discussion and possible action may include approval of an evaluation rating as well as any recommendation on the compensation and consideration provided to Dr. Lopez, which may have a fiscal impact, and which will be subject to her acceptance or rejection of the same. (For Possible Action)
 7. Discussion and possible action on revisions to the employment contract between RHA and Dr. Hilary Lopez. (For Possible Action)
 8. Discussion and possible approval of the Material Change Policy that outlines construction and/or overall project changes that require Board of Commissioners review after initial approval. (For Possible Action)
 9. Discussion and possible approval of an Option Agreement between RHA and Jacobs Entertainment (dba Reno Real Estate Development, LLC (RRED)) for a future property swap of the Sarrazin Apartments for a newly constructed apartment development with no less than 65 units, developed by RRED on APN 011-26-18, which is immediately adjacent to the east side of the Gibson Building on W. 2nd Street, and related matters thereto. (For Possible Action)
 10. Discussion and possible approval of the Washoe County HOME Consortium's HOME-ARP Agreement for Railyard Flats for \$1,000,000. (For Possible Action)

11. Discussion and possible approval of a contract extension with Nan McKay and Associates, Inc., through June 30, 2024, for an amount not to exceed \$50,000, to continue providing third-party consulting and finance services to RHA. (For Possible Action)
12. Discussion and possible approval of RHA's amended State of Nevada Home Means Nevada Initiative (HMNI) grant agreement for John McGraw Court and Silver Sage Court and acceptance of \$2,000,000 in additional HMNI funds. (For Possible Action)
13. Discussion and possible action to appoint two RHA Commissioners to the Pathways to Prosperity 501(c)3 Board, two RHA Commissioners to the Truckee Meadows Affordable Housing 501(c)3 Board, and direction to staff regarding the appointment of the remaining one (1) Board member, per each non-profits respective Bylaws, for each of the Pathways to Prosperity and Truckee Meadows Affordable Housing Boards. (For Possible Action)
14. Presentation and update on the below listed development projects:
 - Hawk View Apartments
 - Silverada Manor
 - Stead Manor
 - McGraw Court/Silver Sage Court Design and scope of work update (Discussion)
15. Presentation and discussion on Preliminary Analysis of Exception Payment Standards. (Discussion)
16. Discussion of Board Retreat goals and proposed interim goals. (Discussion)
17. Closed Session: The Board may give direction to staff in closed session regarding the position or positions to be taken or the strategy to be employed, and staff may provide the Board with an update, regarding:
 - A potential letter of intent to Catholic Charities related to the acquisition of the Reno Ave Parcels.

Reconvene Open Session:

18. Discussion and possible approval of a letter of intent to Catholic Charities for the acquisition of property known as the Reno Ave Parcels. (For Possible Action)
19. Additional Items:
 - i) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)
 - ii) Reports on conferences and trainings. (Discussion)
 - iii) Old and New Business. (Discussion)
 - iv) Request for Future Agenda Topics (Discussion)
 - v) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time:

Tuesday, March 26, 2024; and Tuesday, April 23, 2024. (For Possible Action)

20. Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public are limited to three minutes per person.

21. Adjournment.

This meeting is accessible to the hearing impaired through the RHA TTY/TDD/voice phone line (385) 770-7166. Anyone with a disability, as defined by the Americans with Disabilities Act, requiring special assistance to participate in the meeting, may contact the Board of Commissioners at the following address, at least five days in advance of the meeting in order to make arrangements, if possible, for reasonable accommodations that would enable participation in the meeting by contacting Lindsay Dobson, Executive Administrative Assistant, Housing Authority of the City of Reno, 1525 East Ninth Street, Reno, Nevada, 89512, or by calling (775) 329-3630.

This agenda has been posted at the Housing Authority of the City of Reno Administrative Office, 1525 East Ninth Street; and further in compliance with NRS 241.020, this agenda has been posted on the official website for the Housing Authority of the City of Reno www.renoha.org and the State of Nevada Public Notification website <http://notice.nv.gov/>.

According to the provisions of NRS 241.020(5), a copy of supporting (not privileged and confidential) material provided to Board members may be obtained upon request made to: Lindsay Dobson, Executive Administrative Assistant, Housing Authority of the City of Reno, 1525 East Ninth Street, Reno, Nevada, 89512, or by calling (775) 329-3630. Copies of supporting (not privileged and confidential) material provided to Board members by staff may be obtained at the aforementioned address.

Dated February 22, 2024



*By: Lindsay Dobson
Executive Administrative Assistant*

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 1

February 27, 2024

SUBJECT: Presentation of financial audit from Justin Measley, Certified Public Accountant with CliftonLarsonAllen LLP. (Discussion)

FROM: Executive Director

RECOMMENDATION: Discussion

A presentation will be provided at the meeting.



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Housing Authority of the City of Reno, NV 2023 Draft Audit Results

Presented to the Board

February 27, 2024



Presentation Agenda

- Engagement Team
- Scope
- Financial Statements Summary
- MD&A – significant changes
- Single Audit
- Required Governance Communications
- Questions



CLA Engagement Team



Justin Measley, CPA,
Principal



Thomas Putman,
CPA, Senior Associate



Michael Robinson,
Associate



ENGAGEMENT SCOPE

- Independent Auditors' Report – Auditors' Opinion on Financial Statements
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- Schedule of Closed Grants



FINANCIAL STATEMENTS

- Auditors' report
- Management's discussion and analysis
- Financial statements and footnotes
- Required Supplementary Information (Pension/OPEB)
- Supplementary Information (FDS schedules)
- Report on Single Audit
- Schedule of Expenditures of Federal Awards (SEFA)
- Notes to SEFA
- Schedule of Findings and Questioned Costs



STATEMENTS OF NET POSITION

	2023	2022	Dollar Change	Total % Change
Assets and Deferred Outflows				
Current Assets	\$ 35,253,756	\$ 31,665,476	\$ 3,588,280	11.3 %
Notes Receivable	468,548	504,000	(35,452)	(7.0)
Capital Assets	36,143,935	40,998,370	(4,854,435)	(11.8)
Other Assets	45,457	28,834	16,623	57.7
Deferred Outflows	3,500,848	3,042,119	458,729	15.1
Total Assets and Deferred Outflows	75,412,544	76,238,799	(826,255)	(1.1)
Liabilities and Deferred Inflows				
Current Liabilities	4,922,707	7,248,125	(2,325,418)	(32.1)
Noncurrent Liabilities	11,506,907	6,291,137	5,215,770	82.9
Deferred Inflows	227,558	3,964,215	(3,736,657)	(94.3)
Total Liabilities and Deferred Inflows	16,657,172	17,503,477	(846,305)	(4.8)
Net Position:				
Net Investment in Capital Assets	34,636,767	40,510,765	(5,873,998)	(14.5)
Restricted	421,730	454,930	(33,200)	(7.3)
Unrestricted Net Position	23,696,875	17,769,627	5,927,248	33.4
Total Net Position	\$ 58,755,372	\$ 58,735,322	\$ 20,050	0.0

- **Current and Other Assets increased as a result of:**
 - **Total Cash and Investments** increased by \$4,221,133. The increase was largely attributed to disposals of land of \$5,150,000
 - **Prepaid Expenses** decreased \$354,515 as a result of the timing of the authority making disbursements.
- **Capital assets** decreased due to current year disposals of \$5,150,000 and depreciation expense \$2,769,880 exceeding current year additions of \$2,063,365 plus the implementation of GASB 96 resulting in a net asset of \$1,002,080..
- **Current liabilities** decreased \$2,325,418. There was a decrease in unearned revenue of \$1,728,004, as a result of the utilization of pandemic-relief funds, and a decrease in amounts due to other governments of \$756,296
- **Noncurrent liabilities** increased \$5,215,770 or 82.9%. The increase was primarily due to increases in the Authority's net pension and OPEB liabilities of \$4,324,128 and \$158,533, respectively, as a result of updated actuarial reports, and the recognition of a \$744,764 SBITA liability.
- **Deferred outflows and inflows** decreased as a result of updated actuarial valuations.



STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Income Statement) CHANGES

	2023	2022	Dollar Change	Total % Change
Revenues:				
Grants	\$ 59,334,061	\$ 68,260,755	\$ (8,926,694)	(13.1)%
Rental Income	8,122,182	7,447,803	674,379	9.1
Interest Income	307,528	43,173	264,355	612.3
Other Income	1,031,897	562,063	469,834	83.6
Total Revenues	68,795,668	76,313,794	(7,518,126)	(9.9)
Expenses:				
Administrative	8,107,303	6,388,805	1,718,498	26.9
Utilities	1,148,407	1,022,238	126,169	12.3
Maintenance	3,204,142	3,445,810	(241,668)	(7.0)
Tenant Services	790,034	595,069	194,965	32.8
Housing Assistance Payments	51,124,247	59,703,284	(8,579,037)	(14.4)
General	1,252,453	1,115,421	137,032	12.3
Interest Expense	35,345	2,996	32,349	1079.7
Depreciation	3,113,687	2,817,989	295,698	10.5
Total Expenses	68,775,618	75,091,612	(6,315,994)	(8.4)
Increase in Net Position	\$ 20,050	\$ 1,222,182	\$ (1,202,132)	(98.4)

- HUD Operating Grants** There was a \$4,426,168 increase in HUD operating grants, net a \$127,161 decrease in HUD capital grants and a \$13,225,701 decrease in other government grants in connection with pandemic relief funding.
- Other income** increased by \$469,834. Due to its nature, we do not expect other income to remain consistent.
- Administrative expenses** increased \$1,718,498. The increase was primarily due an increase in salaries, benefits, and office expenses.
- Maintenance expenses** decreased \$241,668. The decrease was primarily due to a reduction in landscaping and other miscellaneous contracts.
- Tenant Services** increased \$194,965. The increase was primarily due to tenant service salaries.
- Housing assistance payments** decreased \$8,579,037. \$9,096,266 of the decrease is in connection with decreased COVID-19 response funded under the ERA program, and \$4,134,385 decreased in the Coronavirus Relief Funds program. The decrease was offset by an increase of \$1,058,929 in the Housing Assistance Payments Program, an increase of \$604,953 in Emergency Housing Vouchers, and an increase of \$2,984,825 in the Moving to Work Demonstration Program.



SIGNIFICANT DISCLOSURES – Neutral, Consistent, Clear

- Summary of Significant Accounting Policies
- Cash and Investments
- Notes Receivable
- Capital Assets
- Long-term Liabilities
- GASB 96 SBITAs (new)
- Long-term Debt
- Compensated Absences
- Pension
- OPEB
- Washoe Affordable Housing Corporation
- Transitional Housing Corporation
- Sutro Management, LLC
- Joint Powers Agreements
- Contingent Liabilities
- Discretely Presented Component Unit
 - Sutro Affordable Housing, LLC



SINGLE AUDIT REPORT

Programs Tested

- Section 8 HAPP
- Emergency Rental Assistance

Single Audit Findings

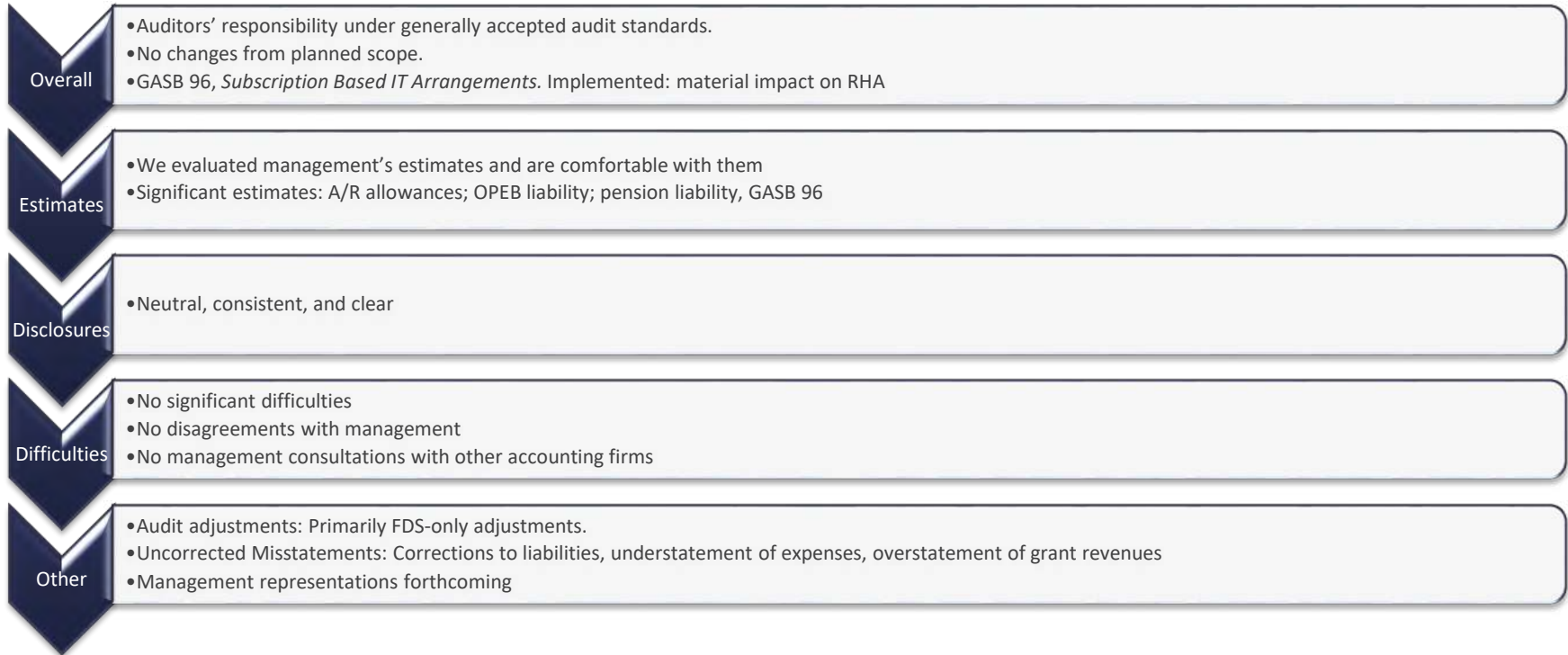
- None.

Financial Statement Findings

- None.



Required Governance Communication



Next Steps



Questions?



Special thanks to the
Authority's finance and
program staff during the
2022 audit!



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**HOUSING AUTHORITY OF THE CITY OF RENO
(RENO, NEVADA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023

Draft
Subject to Change
2/23/24

**HOUSING AUTHORITY OF THE CITY OF RENO
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YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Reno
Reno, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Reno, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Reno's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Reno, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it related to the amounts included for the discretely presented component units is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Reno and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Reno's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Reno's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Reno's ability to continue as a going concern for a reasonable period of time.

Board of Commissioners
Housing Authority of the City of Reno

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability, schedule of the Authority's pension contributions, schedule of the Authority's proportionate share of the net OPEB liability, and schedule of the Authority's OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Reno's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Housing Authority of the City of Reno

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the Housing Authority of the City of Reno's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Reno's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Reno's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Baltimore, Maryland
REPORT DATE

Draft
Subject to Change
2/23/24

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

As management of the Housing Authority of the City of Reno (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year resulting in a net position of \$58,755,372 at June 30, 2023.
- The total net position of the Authority increased from \$58,735,322 at June 30, 2022 to \$58,755,372 at June 30, 2023. The total unrestricted net position at June 30, 2023 is \$23,696,875. This amount may be used to meet the Authority's ongoing obligations.
- Total assets and deferred outflow of resources decreased from \$76,238,799 at June 30, 2022 to \$75,412,544 at June 30, 2023, a decrease of \$826,255.
- Net capital assets decreased from \$40,998,370 at June 30, 2022 to \$36,143,935 at June 30, 2023. This decrease of \$4,854,435 was the result of current year asset disposal of \$5,150,000, depreciation expense of \$2,769,880, net current year asset additions of \$2,063,365 plus the implementation of GASB 96 which resulted in a right-to-use net asset of \$1,002,080.
- Total liabilities and deferred inflows of resources decreased from \$17,503,477 at June 30, 2022 to \$16,657,172 at June 30, 2023, a decrease of \$846,305.
- Revenues for fiscal year 2023 from all programs totaling \$68,795,668 consisted of federal grants and subsidies of \$59,334,061, and rental, interest, and other income of \$9,461,607. This represents a decrease of \$7,518,126 in comparison to the total revenues of \$76,313,794 from fiscal year 2022.
- Total expenses for all programs for fiscal year 2023 were \$68,775,618. This represents a decrease in expenses of \$6,315,994 the total fiscal year 2022 expenses of \$75,091,612.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of the proprietary funds – statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows.

Government-Wide Financial Statements

The statement of net position, and the statement of revenues, expenses, and changes in net position report information about the Authority's activities. These two statements report the net position of the Authority and changes in net position. The Authority's net position, (the difference between assets and liabilities), is one way to measure financial health or financial position of the Authority. Over time, increases or decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in economic conditions, population growth, and new or changed government legislation, should be taken into consideration to determine the overall financial condition of the Authority.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The statement of net position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis in evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its grant revenues, rental income, and other charges and profitability. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

As previously stated, enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of the enterprise funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indicator.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Authority's Programs

Moving-To-Work Program – Effective July 1, 2014, the Authority began administering the Moving-To-Work Demonstration Program (MTW). The MTW Program is a demonstration program recently implemented and funded by the U.S. Department of Housing and Urban Development (HUD). The MTW program was awarded to the Authority under a five-year funding agreement which became effective on June 27, 2014 and expires June 30, 2028. The Authority's MTW Demonstration Program applies to several of the Authority's programs that were previously administered under other HUD funded programs. The MTW program replaces the Housing Choice Voucher Program, the Public and Indian Housing Program, and the Public Housing Capital Fund Program that were administered by the Authority during its fiscal year 2014 and previous fiscal years.

Programs other than the MTW Program administered by the Authority during fiscal year 2023 include the following:

Section 8 Housing Assistance Payments Program – Under the Section 8 Housing Assistance Payments Program the Authority is the Contract Administrator for the state of Nevada charged with carrying out 16 incentive Based Performance Standards for HUD. Typical standards include approving tenant payments, processing rental adjustments, life threatening and nonlife threatening health and safety issues, and conducting Management and Occupancy Reviews. Approximately 37 projects and 3,174 units are covered by this contract. The contract started October 1, 2000 with an initial two-year period and three one-year renewal options. Since then, the Authority has been awarded several renewals, the most recent of which expires **February 29, 2024**.

Business Activities – This represents non-HUD resources developed from a variety of activities that consist basically of housing units not receiving Federal financial assistance.

Resident Opportunity and Supportive Services – This is a grant from HUD designed to help provide tenants with skills necessary to seek, obtain and maintain better employment.

Shelter Plus Care – Shelter Plus Care is a program where the Authority can obtain contract funding through the state of Nevada and provide physical inspections.

Community Development Block Grants / Economic Development Initiative – The Economic Development Initiative Special Project Grant is a program to carry out projects to redevelop abandoned, idled or underutilized real property.

Neighborhood Stabilization Programs (NSP) – This program was established for the purpose of stabilizing communities that had suffered from property foreclosures and abandonment. The stabilization is to be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Emergency Rental Assistance (ERA) Program – The Authority was a subrecipient of ERA funds in order to provide financial assistance for rent, rent arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing incurred due, directly or indirectly, to the novel coronavirus disease.

Coronavirus Relief Funds (CRF) Program – The Authority was a subrecipient of CRF funds in order to provide rental assistance to households affected by the COVID-19 pandemic in order to prevent evictions of those struggling financially.

Emergency Housing Vouchers (EHV) – The American Rescue Plan Act of 2021 (ARP), provided relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. Section 3202 of the ARP provided appropriations for new incremental Emergency Housing Voucher (EHVs), the renewal of those EHVs, and fees for the cost of administering the EHVs and other eligible expenses defined by notice to prevent, prepare for, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Required Supplementary Information

The Schedule of Authority's Proportionate Share of Net OPEB Liability, the Schedule of the Authority's OPEB Contributions, the Schedule of the Authority's Proportionate Share of Net Pension Liability, the Schedule of the Authority's Pension Plan Contributions, and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by the U.S. Office of Management, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Governmental Accounting Standards Board (GASB), and the U.S. Department of HUD regulations. These schedules can be found in the Supplementary Information sections of this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Net Position

A summary of the Authority's statements of net position is presented in Table 1. As can be seen from Table 1, the net position increased \$651,683 to \$58,755,372 in fiscal year 2023, from \$58,735,322 in fiscal year 2022.

**TABLE 1
Condensed Statements of Net Position
June 30, 2023**

	2023	2022	Dollar Change	Total % Change
Assets and Deferred Outflows:				
Current Assets	\$ 35,253,756	\$ 31,665,476	\$ 3,588,280	11.3 %
Notes Receivable	468,548	504,000	(35,452)	(7.0)
Capital Assets	36,143,935	40,998,370	(4,854,435)	(11.8)
Other Assets	45,457	28,834	16,623	57.7
Deferred Outflows	3,500,848	3,042,119	458,729	15.1
Total Assets and Deferred Outflows	<u>75,412,544</u>	<u>76,238,799</u>	<u>(826,255)</u>	<u>(1.1)</u>
Liabilities and Deferred Inflows:				
Current Liabilities	4,922,707	7,248,125	(2,325,418)	(32.1)
Noncurrent Liabilities	11,506,907	6,291,137	5,215,770	82.9
Deferred Inflows	227,558	3,964,215	(3,736,657)	(94.3)
Total Liabilities and Deferred Inflows	<u>16,657,172</u>	<u>17,503,477</u>	<u>(846,305)</u>	<u>(4.8)</u>
Net Position:				
Net Investment in Capital Assets	34,636,767	40,510,765	(5,873,998)	(14.5)
Restricted	421,730	454,930	(33,200)	(7.3)
Unrestricted Net Position	23,696,875	17,769,627	5,927,248	33.4
Total Net Position	<u>\$ 58,755,372</u>	<u>\$ 58,735,322</u>	<u>\$ 20,050</u>	<u>0.0</u>

The more significant changes to the components of the statement of net position are as follows:

- Current assets increased \$3,588,280, or 11.3%. The change was primarily due to an increase in cash and investments of \$4,221,133, net a decrease of accounts receivable and prepaid expenses of \$412,873 and \$354,515, respectively.
- Capital assets decreased \$4,854,435, or 11.8%. This decrease was the result of current year asset disposal of \$5,150,000, depreciation expense of \$2,769,880, and current year asset additions of \$2,063,365 plus the implementation of GASB 96 which resulted in a right-to-use net asset of \$1,002,080. See Table 3 for a breakout of the decrease in capital assets.
- Current liabilities decreased \$2,325,418, or 32.1%. This decrease was primarily due to a decrease in unearned revenue of \$1,728,004, resulting from the utilization of pandemic relief funds, and a decrease in due to other governments of \$756,296.
- Noncurrent liabilities increased \$5,215,770 or 82.9%. The increase was primarily due to increases in the Authority's net pension and OPEB liabilities of \$4,324,128 and \$158,533, respectively, as a result of updated actuarial reports, and the recognition of a \$744,764 SBITA liability.
- Changes in deferred outflows and inflows were due to updated actuarial reports for the Authority's pension and other post-employment benefit plans.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

For more detailed information concerning the statement of net position for fiscal year 2023 see the statement of net position on page 14 of this report.

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is only engaged in business-type activities.

**TABLE 2
Statements of Revenues, Expenses, and
Changes in Net Position
Years Ended June 30, 2023**

	2023	2022	Dollar Change	Total % Change
Revenues:				
Grants	\$ 59,334,061	\$ 68,260,755	\$ (8,926,694)	(13.1)%
Rental Income	8,122,182	7,447,803	674,379	9.1
Interest Income	307,528	43,173	264,355	612.3
Other Income	1,031,897	562,063	469,834	83.6
Total Revenues	<u>68,795,668</u>	<u>76,313,794</u>	<u>(7,518,126)</u>	<u>(9.9)</u>
Expenses:				
Administrative	8,107,303	6,388,805	1,718,498	26.9
Utilities	1,148,407	1,022,238	126,169	12.3
Maintenance	3,204,142	3,445,810	(241,668)	(7.0)
Tenant Services	790,034	595,069	194,965	32.8
Housing Assistance Payments	51,124,247	59,703,284	(8,579,037)	(14.4)
General	1,252,453	1,115,421	137,032	12.3
Interest Expense	35,345	2,996	32,349	1079.7
Depreciation	3,113,687	2,817,989	295,698	10.5
Total Expenses	<u>68,775,618</u>	<u>75,091,612</u>	<u>(6,315,994)</u>	<u>(8.4)</u>
Increase in Net Position	<u>\$ 20,050</u>	<u>\$ 1,222,182</u>	<u>\$ (1,202,132)</u>	<u>(98.4)</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Significant revenue and expense activity changes were as follows:

- Grants decreased \$8,926,694 or 13.1%. There was a \$4,426,168 increase in HUD operating grants, net a \$127,161 decrease in HUD capital grants and a \$13,225,701 decrease in other government grants in connection with pandemic relief grants ending.
- Other income increased \$469,834 or 83.6%. Due to its nature, we do not expect other income to remain consistent.
- Administrative expenses increased \$1,718,498 or 26.9%. The increase was primarily due an increase in salaries, benefits, and office expenses.
- Maintenance expenses decreased \$241,668 or 7.0%. The decrease was primarily due to a reduction in landscaping and other miscellaneous contracts.
- Tenant services increased \$194,965 or 32.8%. The increase was primarily due to tenant service salaries.
- Housing assistance payments decreased \$8,579,037 or 14.4%. \$9,096,266 of the decrease is in connection with decreased COVID-19 response funded under the ERA program, and \$4,134,385 decreased in the Coronavirus Relief Funds program. The decrease was offset by an increase of \$1,058,929 in the Housing Assistance Payments Program, an increase of \$604,953 in Emergency Housing Vouchers, and an increase of \$2,984,825 in the Moving to Work Demonstration Program.

For more detail concerning the statement of revenues, expenses, and changes in net position for the fiscal year 2023, see the statement of revenues, expenses, and changes in net position on page 15 of this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had \$36,143,935 of net capital assets as is reflected in the following Table 3, which represents a net decrease of \$5,856,515 from the 2022 fiscal year's ending balance.

TABLE 3

	2023	2022	Dollar Change	Total % Change
Land	\$ 8,550,052	\$ 13,700,052	\$ (5,150,000)	(37.6)%
Buildings	89,679,862	87,059,327	2,620,535	3.0
Furniture and Equipment	3,030,262	2,983,799	46,463	1.6
Right-of-Use Asset - SBITA	1,345,887	-	1,345,887	100.0
Construction in Progress	492,833	1,110,493	(617,660)	(55.6)
Less: Accumulated Depreciation/Amortization	(66,954,961)	(63,855,301)	(3,099,660)	4.9
Net Capital Assets	<u>\$ 36,143,935</u>	<u>\$ 40,998,370</u>	<u>\$ (4,854,435)</u>	(11.8)

For more detail pertaining to the Authority's capital assets please see Note 4 to the financial statements in this report.

Debt Administration

As of year-end, the Authority had \$1,480,343 of long-term notes as is reflected in the following Table 4, which represents a net decrease of \$8,024 from the 2022 fiscal year's ending balance.

TABLE 4

	2023	2022	Dollar Change	Total % Change
Total Notes Payable	<u>\$ 479,581</u>	<u>\$ 487,605</u>	<u>\$ (8,024)</u>	(1.6)

For more detail pertaining to the Authority's bonds and notes payable, please see Note 6 to the financial statements in this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Economic Factors

Significant economic factors affecting the Authority and its goals to provide affordable housing to the residents of Washoe County, which includes the City of Reno and City of Sparks, include:

- Local economic and employment trends that affect resident incomes correlate to the amount of rental income earned by the Authority. Washoe County (including Reno and Sparks) continues to recover from the COVID pandemic. In the Reno-Sparks region the June 2023 unemployment rate stood at 4.5%. This is above the national unemployment rate of 3.6%
- The Authority receives a majority of its federal grant funding each year from HUD. The Authority's financial operations are significantly affected by the annual appropriations from HUD. Based upon authorized funding notifications received from HUD for fiscal year 2023, the Authority does not anticipate significant reductions in federal grant funding for fiscal 2024 versus the funding received for its 2023 fiscal year.
- Local property rental availability and rental rates influences the amounts of Housing Assistance Payments required by the Authority to subsidize tenants' rents under several of the Authority's most significant federally funded programs. The vacancy rate in the Washoe County's rental market has remained relatively low during FY23 at an average of 2.73%. The average rents in the Washoe County market have continued to increase compared to fiscal year 2022, with average rents at \$1,653. The construction and real estate sector continue to hold the higher percentage growth in Washoe County and statewide.

Request for information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Dr. Hilary Lopez, Executive Director, Housing Authority of the City of Reno, 1525 E. Ninth Street, Reno, NV 89512, telephone number (775) 329-3630.

HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENTS OF NET POSITION—BUSINESS-TYPE ACTIVITIES AND DISCRETELY
PRESENTED COMPONENT UNITS
JUNE 30, 2023 AND DECEMBER 31, 2022, RESPECTIVELY

ASSETS	Enterprise Fund	Discrete Component Unit
CURRENT ASSETS		
Cash and Investments - Unrestricted	\$ 29,646,208	\$ 241,520
Cash and Investments - Restricted	3,742,848	467,890
Accounts Receivable - Other Governments	786,747	-
Accounts Receivable, Net	395,676	5,580
Current Portion of Notes Receivable	28,443	-
Accrued Interest	49,751	-
Due from Component Unit	415,393	-
Prepaid Expenses and Other Assets	188,690	27,525
Total Current Assets	<u>35,253,756</u>	<u>742,515</u>
NONCURRENT ASSETS		
Notes Receivable	117,548	-
Note Receivable from Component Unit	351,000	-
Capital Assets not being Depreciated/Amortized	9,042,885	1,394,064
Capital Assets being Depreciated/Amortized, Net	27,101,050	10,247,279
Other Assets	45,457	112,799
Total Noncurrent Assets	<u>36,657,940</u>	<u>11,754,142</u>
Total Assets	71,911,696	12,496,657
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Related Outflows	112,201	-
Pension Related Outflows	3,388,647	-
Total Deferred Outflows of Resources	<u>3,500,848</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	75,412,544	12,496,657
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	371,000	8,208
Due to Other Governments	242,331	-
Tenant Security Deposits	505,028	17,350
Accrued Payroll	283,595	-
Unearned Revenue	2,917,639	-
Accrued Interest Payable	11,403	254,182
Notes Payable - Current	8,266	60,882
SBITA Liability, Current Portion	255,998	-
Compensated Absences - Current	41,618	-
Other Current Liabilities	285,829	-
Total Current Liabilities	<u>4,922,707</u>	<u>340,622</u>
NONCURRENT LIABILITIES		
Compensated Absences, Net of Current Portion	376,118	-
Notes Payable, Net of Current Portion	471,315	3,215,736
SBITA Liability, Net of Current Portion	744,764	-
Net Pension Liability	8,855,618	-
Net OPEB Liability	777,259	-
Other Noncurrent Liabilities	281,833	-
Due to Primary Government	-	408,615
Total Noncurrent Liabilities	<u>11,506,907</u>	<u>3,624,351</u>
Total Liabilities	16,429,614	3,964,973
DEFERRED INFLOWS OF RESOURCES		
OPEB Related Inflows	91,772	-
Pension Related Inflows	135,786	-
Total Deferred Inflows of Resources	<u>227,558</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,657,172</u>	<u>3,964,973</u>
NET POSITION		
Net Investment in Capital Assets	34,636,767	8,364,725
Restricted	421,730	450,360
Unrestricted	23,696,875	(283,401)
Total Net Position	<u>\$ 58,755,372</u>	<u>\$ 8,531,684</u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION—
BUSINESS-TYPE ACTIVITIES AND DISCRETELY PRESENTED COMPONENT UNIT
YEAR ENDED JUNE 30, 2023 AND DECEMBER 31, 2022, RESPECTIVELY

	Enterprise Fund	Discrete Component Unit
	<u> </u>	<u> </u>
OPERATING REVENUES		
HUD Operating Grants	\$ 55,670,111	\$ -
Rental Income	8,122,182	409,729
Other Government Grants	2,295,150	-
Other Revenue	1,031,897	914,553
Total Operating Revenues	<u>67,119,340</u>	<u>1,324,282</u>
OPERATING EXPENSES		
Administrative	8,107,303	137,931
Utilities	1,148,407	79,904
Maintenance	3,204,142	84,735
Tenant Services	790,034	-
General	1,252,453	28,608
Housing Assistance Payments	51,124,247	-
Depreciation	3,113,687	442,412
Total Operating Expenses	<u>68,740,273</u>	<u>773,590</u>
OPERATING INCOME (LOSS)	(1,620,933)	550,692
NONOPERATING REVENUES (EXPENSES)		
Interest Income	307,528	15
Interest Expense	(35,345)	(131,904)
Total Nonoperating Revenues (Expenses)	<u>272,183</u>	<u>(131,889)</u>
Capital Contributions	<u>1,368,800</u>	<u>-</u>
CHANGE IN NET POSITION	20,050	418,803
Net Position - Beginning of Year	<u>58,735,322</u>	<u>8,112,881</u>
NET POSITION - END OF YEAR	<u>\$ 58,755,372</u>	<u>\$ 8,531,684</u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Grants	\$ 55,893,834
Cash Received from Rents	8,022,567
Other Cash Receipts	1,000,447
Cash Payments to Employees for Services	(8,070,559)
Cash Payments to Suppliers for Goods and Services	(5,911,051)
Cash Payments to Landlords	(51,124,247)
Net Cash Used by Operating Activities	<u>(189,009)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(2,063,365)
Proceeds Disposal of Capital Assets	4,804,875
Capital Grants Received	1,368,800
Principal Paid on Capital Debt	(8,024)
Interest Paid on Capital Debt	(35,345)
Net Cash Provided by Capital and Related Financing Activities	<u>4,066,941</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Repayment of Notes Receivables	35,673
Interest Received	307,528
Net Cash Provided by Investing Activities	<u>343,201</u>
NET INCREASE IN CASH AND INVESTMENTS	4,221,133
Cash and Investments - Beginning of Year	<u>29,167,923</u>
CASH AND INVESTMENTS - END OF YEAR	<u><u>\$ 33,389,056</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,620,933)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	3,113,687
Provision for Bad Debts	153,269
(Increase) Decrease in:	
Accounts Receivable Other Governments	412,873
Accounts Receivable	(288,025)
Prepaid Expenses	337,892
Deferred Outflows - Pension	(515,776)
Deferred Outflows - OPEB	57,047
Deferred Inflows - Pension	(3,718,304)
Deferred Inflows - OPEB	(18,353)
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	55,886
Due to Other Governments	(756,296)
Tenant Security Deposits	3,691
Compensated Absences	7,109
Unearned Revenue	(1,728,004)
Net Pension Liability	4,342,881
Net OPEB Liability	(27,653)
Net Cash Used by Operating Activities	<u><u>\$ (189,009)</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Reno (the Authority) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental agencies. The following is a summary of the more significant policies.

Definition of Reporting Entity

The Authority was established on August 8, 1940 by a resolution of the City of Reno City Council. The Authority is a public body corporate and politically organized pursuant to the laws of Chapter 315 of the state of Nevada. The Authority is governed by a five-member board of commissioners. The City Council appoints the members of the board of commissioners to four-year terms.

Although they are legally separate entities from the Authority, the Washoe Affordable Housing Corporation, Transitional Housing Corporation, and Sutro Management, LLC are reported as if they were part of the Authority because they are solely owned by the Authority and their sole purpose is to work in conjunction with the Authority to assist with the provision of housing for low and moderate income individuals, and the members of the board of commissioners of the Authority act as members of the board of directors of these corporations. Therefore, the financial information of the Washoe Affordable Housing Corporation, the Transitional Housing Corporation, and Sutro Management, LLC are included in the accompanying financial statements as blended component units of the Authority.

Sutro Management, LLC is the .01% general partner of Sutro Affordable Housing, LLC. Sutro Affordable Housing, LLC's purpose is to develop, own and operate an apartment complex (Willie J. Wynn Apartments). The financial information of Sutro Affordable Housing, LLC is included in the accompanying financial statements as a discretely presented component unit of the Authority. Sutro Affordable Housing, LLC has a calendar year-end and accordingly, the amounts included are as of and for the respective year-end that falls within the Authority's June 30, 2023 fiscal year-end. Separate financial statements are issued for the discretely presented component unit, prepared in accordance with Financial Accounting Standards Board (FASB) guidance, and can be obtained by contacting the Director of Administration at the Authority, 1525 East 9th Street, Reno, Nevada 89512.

Effective July 1, 2013, the Authority began participating in HUD's Moving to Work (MTW) Demonstration Program. The MTW program primarily consists of grant funding and expenditures that were received and incurred under the Authority's previous Housing Choice Voucher Program, the Public and Indian Housing Program, and the Capital Fund Program. The program provides the Authority greater flexibility in combining its HUD funding among the Authority's administrative, capital, and development activities. The MTW Program also exempts the Authority from many previous required regulations and reporting requirements.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition of Reporting Entity (Continued)

At June 30, 2023, the Authority was administering the following programs which consisted of 7,408 units of low and moderate-income housing:

	Number of Units
Moving to Work Program:	
Housing Complexes:	
Mineral Manor	144
Tom Sawyer Village	100
Silverada Manor	149
Stead Manor	67
Hawk View Apartments	99
Essex Manor	105
Myra Birch Manor	53
John McGraw Court	34
Vouchers	2,524
Total Units Administered under the Moving to Work Program	3,275
Other Administered Programs:	
Veterans Affairs Special Vouchers	303
Special Allocations	3,174
Business Activities	341
Neighborhood Stabilization Programs I and II	128
Economic Development Initiative - Special Projects	11
Dollar Home Sales	24
Emergency Housing Vouchers	137
Foster Youth Independence Vouchers	15
Total Units Administered under Other Programs	4,133
Total Units Administered at June 30, 2023	7,408

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority's operation as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single-enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured; basic of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basic of accounting relate to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Nonexchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

Program revenues include grants and contributions that are restricted to the operations of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Revenues such as rents and other miscellaneous fees are recorded as operating revenues. Revenues such as governmental grants and investments earnings are recorded as nonoperating revenues. Operating expenses for proprietary funds include the cost of sales and services, housing assistance payments to landlords, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

Budgets and Budgetary Accounting

Each year the Authority's board of commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of adoption of the annual budget by the Authority's board of commissioners.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's investments can be converted to cash in a relatively short amount of time. Therefore, all cash and investments and amounts of restricted cash are reported in the statement of cash flows.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Restricted Assets

Restricted cash, cash equivalents, and investments, represent deposits that are used for replacement reserves, security deposit payable amounts to tenants, and amounts that are required by grants from HUD to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

Receivables

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable.

Prepaid Assets

Payments to vendors for goods and services that will benefit periods beyond the fiscal year-end are recorded as prepaid assets.

Capital Assets

Capital assets which include land, buildings, improvements, and furniture and equipment, are reported at historical costs. Contributed capital assets are recorded at acquisition value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts.

Depreciation is charged to operations using the straight-line method based on the useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	30 Years
Improvements	15 Years
Equipment	5 to 10 Years

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay.

Regular full-time employees earn from 13 to 29 vacation days per year depending upon their length of employment. Each employee also earns 13 sick leave days per year. Unused annual leave may be accumulated not to exceed between 26 – 58 days. Unused sick leave will be allowed to accumulate up to 188 days; however, upon termination one half of sick leave accrued to a maximum 50 days is paid to the employee. An employee terminating employment shall be paid for any accumulated annual and sick leave at their current hourly rate of pay.

Taxes

The Authority is exempt from federal and state income taxes. The Authority is also exempt from property taxes but makes payments in lieu of taxes on its public housing units.

Net Position

Net position represents the differences between assets and deferred outflows and liabilities and deferred inflows. Net position consists of net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets consists of capital assets, net of depreciation, reduced by outstanding balances of borrowings used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (expenses) or inflows (revenues) until that time.

Pensions

For purposes of measuring the net pension liability (NPL) and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position (FNP) of the Authority's Public Employees' Retirement System of Nevada (PERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability for the plans, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Authority adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 CASH AND INVESTMENTS

Policies

Nevada law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under Nevada law this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments* or by electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

The Authority's investments are carried at fair value as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Classification

Cash and money market mutual funds investments are classified in the financial statements as shown below based on whether or not their use is restricted under the terms of the Authority debt instruments or agency agreements. Cash and investments as of June 30, 2023 are as follows:

Cash and Cash Equivalents	\$ 23,252,806
Money Market Mutual Funds	10,136,250
Total Cash and Investments	<u>\$ 33,389,056</u>

The money market mutual funds are carried at amortized cost. Cash and investments are considered to be liquid assets for purposes of measuring cash flows.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Nevada Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The Nevada Government Code requires Nevada banks and savings and loan associations to secure the Authority's deposits not covered by federal deposit insurance by pledging mortgages or government securities as collateral. The market value of mortgages must equal at least 150% of the face value of deposits. The market value of government securities must equal at least 110% of the face value of deposits. Such collateral must be held in the pledging bank's trust department in a separate depository in an account for the Authority.

The \$23,252,806 of cash and cash equivalents consists of \$23,821,615 maintained on deposit in banks. Of the amounts deposited into bank checking and savings and money market accounts, \$1,000,000 is covered by federal deposit insurance. As of June 30, 2023, all deposits were fully collateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Investment Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More than Five Years</u>	<u>Total</u>
Money Market Mutual Funds	<u>\$ 10,136,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,136,250</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures of Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual rating as of June 30, 2023 for the Money Market Mutual Funds was AAAM by Standard and Poor's and Aaa-mf by Moody's.

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The \$709,410 of cash and cash equivalents consists solely of funds maintained in a checking account with Wells Fargo, \$250,000 of which is covered by federal deposit insurance.

NOTE 3 NOTES RECEIVABLE

The following is a summary of the Authority's changes in notes receivable for the fiscal year ended June 30, 2023:

	Balance 6/30/2022	Disbursements	Receipts/ Forgiveness	Balance 6/30/2023	Current Portion
Homeownership Notes	\$ 181,664	\$ -	\$ (35,673)	\$ 145,991	\$ 28,443
Sutro Affordable Housing, LLC	351,000	-	-	351,000	-
Total Notes Receivable	<u>\$ 532,664</u>	<u>\$ -</u>	<u>\$ (35,673)</u>	<u>\$ 496,991</u>	<u>\$ 28,443</u>

The Authority issued 40 forgivable 0% interest homeownership loans from 2011 to 2015. The original loan amounts are \$15,000 per note and are forgivable at \$1,000 per annum. If the properties are sold in advance to the 15-year forgiveness period, the full unforgiven principal balance is collected. The outstanding balance on the homeownership notes at June 30, 2023 was \$145,991.

On April 15, 2019, the Authority issued a seller carry-back note to Sutro Affordable Housing, LLC in the principal amount of \$401,000. The outstanding principal balance of the note bears interest from the date of disbursement at 2.89% compounded annually. Commencing on June 1, 2021, and on June 1 of each year thereafter, repayments of the outstanding principal balance and accrued interest on the note are due in an amount equal to 33.33% of cash flow, first to accrued interest and second to principal. The outstanding balance on the note at June 30, 2023 was \$351,000.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 CAPITAL ASSETS**Enterprise Fund**

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2023:

	Balance 6/30/2022	Implementation of GASB 96	Additions	Deletions	Transfers	Balance 6/30/2023
Not Being Depreciated:						
Land	\$ 13,700,052	\$ -	\$ -	\$ (5,150,000)	\$ -	\$ 8,550,052
Construction in Progress	1,110,493	-	509,899	-	(1,127,559)	492,833
Total Not Being Depreciated/Amortized	14,810,545	-	509,899	(5,150,000)	(1,127,559)	9,042,885
Depreciable						
Buildings and Improvements	87,059,327	-	1,533,358	-	1,087,177	89,679,862
Equipment	2,983,799	-	20,108	-	26,355	3,030,262
Right-of-Use Asset - SBITA	-	1,345,887	-	-	-	1,345,887
Total Depreciable/Amortizable Capital Assets	90,043,126	1,345,887	1,553,466	-	1,113,532	94,056,011
Less Accumulated Depreciation:						
Buildings and Improvements	(62,334,622)	-	(2,662,460)	-	14,027	(64,983,055)
Equipment	(1,520,679)	-	(107,420)	-	-	(1,628,099)
Right-of-Use Asset - SBITA	-	(343,807)	-	-	-	(343,807)
Total Accumulated Depreciation/Amortization	(63,855,301)	(343,807)	(2,769,880)	-	14,027	(66,954,961)
Total Capital Assets, Being Depreciated/Amortized, Net	26,187,825	1,002,080	(1,216,414)	-	1,127,559	27,101,050
Total Capital Assets, Net	\$ 40,998,370	\$ 1,002,080	\$ (706,515)	\$ (5,150,000)	\$ -	\$ 36,143,935

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The following is a summary of Sutro Affordable Housing, LLC's changes in capital assets for the fiscal year ended December 31, 2022:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Not Being Depreciated:				
Land	\$ 1,394,064	\$ -	\$ -	\$ 1,394,064
Construction in Progress	-	-	-	-
Total Not Being Depreciated	1,394,064	-	-	1,394,064
Depreciable				
Buildings and Improvements	11,121,757	-	-	11,121,757
Equipment	229,671	-	-	229,671
Total Depreciable Capital Assets	11,331,590	-	-	11,351,428
Less Accumulated Depreciation:				
Buildings and Improvements	(542,830)	(346,472)	-	(889,302)
Equipment	(118,907)	(95,940)	-	(214,847)
Total Accumulated Depreciation	(661,737)	(442,412)	-	(1,104,149)
Total Capital Assets, Being Depreciated, Net	10,669,853	(442,412)	-	10,247,279
Total Capital Assets, Net	\$ 12,063,917	\$ (442,412)	\$ -	\$ 11,641,343

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 LONG-TERM LIABILITIES**Enterprise Fund**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance 6/30/22	Implementation of GASB 96	Additions	Deletions	Balance 6/30/23	Current Portion
Notes from Direct Borrowings	\$ 487,605	\$ -	\$ -	\$ (8,024)	\$ 479,581	\$ 8,266
Compensated Absences	410,627	-	306,958	(299,849)	417,736	41,618
SBITA Liability	-	1,345,887	-	(345,125)	1,000,762	255,998
Total	<u>\$ 898,232</u>	<u>\$ 1,345,887</u>	<u>\$ 306,958</u>	<u>\$ (652,998)</u>	<u>\$ 1,898,079</u>	<u>\$ 305,882</u>

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The following is a summary of changes in Sutro Affordable Housing, LLC's long-term liabilities due to the Authority for the year ended December 31, 2022:

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Current Portion
Developer Fee Payable	\$ 603,499	\$ -	\$ (603,499)	\$ -	\$ -
Due to RHA	429,707	-	(380,065)	49,642	-
Management Fees Payable	25,824	-	(25,824)	-	-
Total Due to Primary Government	<u>\$ 1,059,030</u>	<u>\$ -</u>	<u>\$ (1,009,388)</u>	<u>\$ 49,642</u>	<u>\$ -</u>

Between December 31, 2022 and June 30, 2023, Sutro Affordable Housing, LLC made payments totaling \$201,696 to the Authority for the outstanding developer fee, the management fee, and a portion of the amount due to RHA. The total due to the Authority as of June 30, 2023 was \$415,393.

NOTE 6 LONG-TERM DEBT**Enterprise Fund**

Notes from direct borrowings at June 30, 2023 consist of the following:

Note payable to the City of Reno, due September 1, 2036, secured by a deed of trust on real estate located in Sparks, Nevada. Interest accrues at 1% per annum on the unpaid balance until September 1, 2036, at which time the remaining principal balance and accrued interest will be forgiven. There is no annual required payment of interest or principal. The outstanding balance at June 30, 2023 was \$162,893.

Note payable to the City of Reno-Washoe County Home Consortium, due April 1, 2041, secured by a junior deed of trust on real property located at 7900 Golden Valley Road, Reno, Nevada. Interest accrues on the note at 1.0% per annum as of May 1, 2026, with required annual principal and interest payments of \$10,000 beginning May 1, 2027. The balance outstanding on the loan at June 30, 2023 was \$150,000.

Note payable to the City of Reno-Washoe County Home Consortium, due April 1, 2033, secured by a junior deed of trust on real property located at 7900 Golden Valley Road, Reno, Nevada. Interest accrues on the note at a rate of 8.6% on the first \$200,000 and 3.0% on the remaining \$60,000 per annum. Required annual principal and interest payments are \$8,266. The balance outstanding on the loan at June 30, 2023 was \$166,688.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 LONG-TERM DEBT (CONTINUED)**Enterprise Fund (Continued)**

Notes from direct borrowings debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2024	\$ 8,266	\$ 4,999	\$ 13,265
2025	8,514	4,751	13,265
2026	8,770	4,495	13,265
2027	17,533	5,732	23,265
2028	17,804	5,461	23,265
2029-2033	94,661	21,664	116,325
2034-2038	267,868	43,906	311,774
2039-2043	56,165	3,304	59,469
Total	<u>\$ 479,581</u>	<u>\$ 94,312</u>	<u>\$ 573,893</u>

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The following is a summary of changes in Sutro Affordable Housing, LLC's long-term debt from direct borrowings for the year ended December 31, 2022:

	<u>Balance 12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>	<u>Current Portion</u>
Direct Borrowings:					
HOME Loan	\$ 999,367	\$ 633	\$ -	\$ 1,000,000	\$ -
LIHTF Loan	400,000	-	-	400,000	-
RHA Loan	401,000	-	(50,000)	351,000	50,000
AHP Loan	440,000	-	-	440,000	-
Wells Fargo Permanent Loan	1,095,891	-	(10,273)	1,085,618	10,882
Total	<u>\$ 3,336,258</u>	<u>\$ 633</u>	<u>\$ (60,273)</u>	<u>\$ 3,276,618</u>	<u>\$ 60,882</u>

Notes from direct borrowings at December 31, 2022 consist of the following:

On April 15, 2019, Sutro Affordable Housing, LLC entered into a promissory note with the City of Reno in the amount of \$1,000,000 (the HOME Loan). Under the terms of the agreement, the HOME Loan is secured by a deed of trust on the Project, matures on June 1, 2049 and bears simple interest at a rate of 3% per annum. Commencing on June 1, 2021 and annually thereafter, payments shall be made in the amount of 33.3% from available cash flow, as defined in the Operating Agreement. As of December 31, 2022 and 2021, the outstanding principal balance of the HOME Loan was \$1,000,000 and \$999,367, respectively, and accrued interest was \$111,369 and \$80,811, respectively. During 2022 and 2021, interest expense was \$30,558 and \$29,700, respectively.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Unit – Sutro Affordable Housing, LLC (Continued)

On April 15, 2019, Sutro Affordable Housing, LLC entered into a second promissory note with the City of Reno in the amount of \$400,000 (the LIHTF Loan). Under the terms of the agreement, the LIHTF Loan is secured by a deed of trust on the Project, matures on June 1, 2049 and bears simple interest at a rate of 3% per annum. Commencing on June 1, 2021 and annually thereafter, payments shall be made in the amount of 33.3% from available cash flow, as defined in the Operating Agreement. As of December 31, 2022 and 2021, the outstanding principal balance of the LIHTF Loan was \$400,000 and accrued interest was \$44,548 and \$32,548, respectively. During the 2022 and 2021, interest expense was \$12,000.

On April 15, 2019, Sutro Affordable Housing, LLC entered into a promissory note with RHA in the amount of \$401,000 (the RHA Loan). Under the terms of the agreement, the RHA Loan is secured by a deed of trust on the Project, matures on June 1, 2049 and bears interest at a rate of 2.89%, compounded annually. Commencing on June 1, 2021 and annually thereafter, payments shall be made in the amount of 33.3% from available cash flow, as defined in the Operating Agreement. As of December 31, 2022 and 2021, accrued interest was \$44,042 and \$32,252, respectively. During 2022 and 2021, interest expense was \$11,790 and \$12,169, respectively.

On April 15, 2019, Sutro Affordable Housing, LLC entered into a promissory note with Wells Fargo Financial National Bank in the amount of \$440,000 (the AHP Loan) from funds provided by the Federal Home Loan Bank of San Francisco pursuant to the regulations governing the Affordable Housing Program (AHP). Under the terms of the agreement, the AHP Loan is secured by a deed of trust on the Project, bears interest at a rate of 3% per annum and payment is due in full on April 15, 2049. As of December 31, 2022 and 2021, the outstanding principal balance of the AHP Loan was \$440,000 and accrued interest was \$49,003 and \$35,803, respectively. During 2022 and 2021 interest expense was \$13,200.

On April 15, 2019, Sutro Affordable Housing, LLC entered into a loan commitment with Wells Fargo Bank, National Association (Wells Fargo) in the amount of \$1,100,000 (the Permanent Loan). The Permanent Loan is secured by a deed of trust on the Project, bears interest at a rate of 5.77% per annum and matures on July 1, 2039. During 2022 and 2021, interest expense was \$62,916 and \$26,407. As of December 31, 2022 and 2021, the outstanding principal balance was \$1,085,618 and \$1,095,891, respectively, and accrued interest was \$5,220 and \$5,269, respectively.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority has entered into subscription based-information technology arrangements (SBITAs) with two software vendors, Laserfiche and Yardi. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$1,345,887 and \$343,807, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2024	\$ 255,998	\$ 22,255	\$ 278,253
2025	263,758	14,494	278,252
2026	271,753	6,499	278,252
2027	209,253	-	209,253
	<u>\$ 1,000,762</u>	<u>\$ 43,248</u>	<u>\$ 1,044,010</u>

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HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of two years of earned vacation hours and to accumulate earned but unused sick leave up to a maximum of 400 hours. This leave will be used in future periods or paid to employees upon separation from the Authority: vacation hours are payable at the employee's payroll rate and sick leave is payable at one-half the employee's payroll rate. Combined long-term and short-term accrued vacation and sick leave totaling \$417,736 has been valued and recorded by the Authority as of June 30, 2023.

NOTE 9 EMPLOYEES RETIREMENT PLAN

General Information about the Pension Plan

Plan Descriptions – Public Employee Retirement System of Nevada (PERS) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system. The system was established by the Nevada Legislature in 1947, effective July 1, 1948. The system is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PER's website at www.nvpers.org under QuickLinks – Publications.

Benefits Provided – Benefits, as required by the Nevada Revised Statutes, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The system offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Vesting – Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 EMPLOYEES RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation, however, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit up to 90% of average compensation.

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	<u>Miscellaneous Plans</u>	
	<u>Prior to January 1, 2010</u>	<u>On or After January 1, 2010</u>
Hire Date	2.67% @ 65	2.5% at 65
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Formula	Monthly for Life	Monthly for Life
Benefit Payments	2.5% to 2.67%	2.5%
Monthly Benefits, as a Percent of Eligible Compensation	21.50%	28.1%
Retirement Age	65	65

Contributions – The Authority, for establishing and amending the obligation to make contribution and member contribution rates, is set by stature. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one or two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

Effective July 1, 2021, the regular employer-pay contribution (EPC) rate is 29.75%.

The Authority's employer and employee contractually required contributions to the plan were \$1,454,189 for the period ended June 30, 2023. Employer contributions were \$727,094 for the period ended June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 EMPLOYEES RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Net Pension Liability – The net pension liability (NPL) was measured as of June 30, 2022, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The NPL of \$8,855,618 is measured as a proportionate share of the NPL of \$18,054,894,699 (or .04905%).

The employer allocation percentage of the NPL was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the NPL is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2022.

Deferred Inflows/Outflows – For the year ended June 30, 2023, the Authority recognized a pension expense of \$108,801. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 727,094	\$ -
Differences Between Actual and Expected Experience	1,146,656	6,326
Changes in Assumptions	1,137,566	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	108,044	-
Adjustment Due to Differences in Proportions	269,287	129,460
Total	<u>\$ 3,388,647</u>	<u>\$ 135,786</u>

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Of the \$3,388,647 reported as deferred outflows of resources, \$727,094 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30,</u>	Deferred Outflows (Inflows) of Resources
2024	\$ 387,451
2025	367,714
2026	328,308
2027	1,270,306
2028	171,989

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 EMPLOYEES RETIREMENT PLAN (CONTINUED)

**Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources
Related to Pensions (Continued)**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Discount Rate	7.25%
Inflation Rate	2.50%
Productivity Pay Increases	0.50% plus
Projected Salary Increases	4.20% to 9.10%, for regular members varying by years of service
Other Assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study covering the period July 1, 2016 to June 30, 2020.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine total pension liability as of June 30, 2022.

The following was the System’s board adopted policy target asset allocation as of June 30, 2022:

Asset Class	Allocation	Long-Term Expected Arithmetic Real Rate of Return*
U.S. Stocks	42.0 %	5.50 %
International Stocks	18.0	5.50 %
U.S. Bonds	28.0	0.75 %
Private Markets	12.0	6.65 %
Total	<u>100.0 %</u>	

*As of June 30, 2022 PERS’ Long-term inflation assumption was 2.50%

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 EMPLOYEES RETIREMENT PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.25%, as well as what the Authority's proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	Discount Rate – 1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate +1% (8.25%)
Plan's Pension Liability	\$ 13,596,743	\$ 8,855,618	\$ 4,944,040

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued PERS ACFR, available on the PERS website.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

Eligible retirees may receive coverage through the Public Employee Benefit Program (PEBP). PEBP is an agent multiple-employer defined benefit plan administered by the nine member governing board that provides medical, prescription, dental, vision, and life insurance benefits to retirees. Eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the Authority is obligated to provide postemployment benefits is limited to eligible employees who retired from the Authority prior to September 1, 2008. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Public Employee Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701 or by calling (775) 684-7000.

Benefits Provided

The Authority is required to provide a subsidy based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is based on years of service and medical plan elected.

Employees Covered by Benefit Terms

As of July 1, 2022, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefit Payments	16
Active Plan Members	83
Total Plan Members	99

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions

The contribution requirements of plan members and the Authority are established and may be amended through Authority ordinances. The Authority contributed \$-0- beyond the pay-as-you-go cost for the period ending on the June 30, 2023 measurement date. For the year ending June 30, 2023, total Authority premiums plus implicit costs for the retiree medical program were \$66,736.

OPEB Liability

The Authority's OPEB liability of \$777,259 was measured as of June 30, 2023, and the total OPEB liability used to calculate the new OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance for June 30, 2021	\$ 804,912	\$ -	\$ 804,912
Service Cost	7,218	-	7,218
Interest	31,865	-	31,865
Difference Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions to Trust	-	66,736	66,736
Benefit Payments Withdrawn from Trust	-	(66,736)	(66,736)
Benefit Payments including Implicit Cost	(66,736)	-	(66,736)
Net Changes in OPEB Liability	(27,653)	-	(27,653)
Total OPEB Liability - End of Period	\$ 777,259	\$ -	\$ 777,259

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Valuation Date	July 1, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset-Valuation Method	Market Value of Assets at the Measurement Date
Investment Rate of Return	N/A
Discount Rate	4.09% net of OPEB plan investment expense, including inflation
Municipal Bond Rate	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Inflation Rate	2.50% as of June 30, 2022 and for future periods
Compensation Increases	3.00% annually as of June 30, 2022 and for future periods
Cost of Living Adjustment	N/A
Pre-Retirement Mortality	General: PubG-2010 Mortality Table for Employees projected generationally with scale MP-2020 for males and females
Post-Retirement Mortality	General: PubG-2010 Mortality Table for Healthy Annuitants projected generationally with scale MP-2020 for males and females
Disabled Mortality	General: PubG-2010 Mortality Table for Disabled Annuitants projected generationally with scale MP-2020 for males and females

The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies published by the SOA.

The Authority has not established a formal Investment Policy. There are no assets in a trust and this is a pay-as-you-go plan.

Sensitivity of the Authority's OPEB Liability to Changes in the Discount Rate

The following presents the Authority's OPEB liability calculated using the discount rate of 4.09%, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount (4.09%)	1% Increase (5.09%)
Total OPEB Liability	\$ 823,263	\$ 777,259	\$ 712,973

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions (Continued)

Sensitivity of the Authority's OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the Authority's OPEB liability as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 711,151	\$ 777,259	\$ 853,555

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Authority recognized an OPEB expense of \$11,077. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 60,829	\$ 85,668
Changes of Assumptions	36,516	6,104
Contributions Subsequent to Measurement Date	14,856	-
Total	<u>\$ 112,201</u>	<u>\$ 91,772</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 28,124
2025	18,770
2026	(4,608)
2027	(18,353)
2028	(18,360)

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 WASHOE AFFORDABLE HOUSING CORPORATION 401(K) PROFIT SHARING PLAN

Washoe Affordable Housing Corporation (Washoe), a blended component unit of the Authority, has established a 401(k) profit sharing plan. Eligible contributions include employee salary deferrals including Roth 401(k) deferrals, rollover contributions, employer matching contributions, and employer profit sharing contributions. Washoe employees, that are not union employees, are eligible when they have completed six months of service and have attained age 21. For the fiscal year ending June 30, 2023, three employees participated in the plan. Employee and employer contributions of \$3,900 and \$8,543, respectively, were made during the fiscal year ending June 30, 2023. Plan assets totaled \$148,482 as of June 30, 2023.

NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

	Washoe Affordable Housing Corporation	Transitional Housing Corporation	Sutro Management, LLC	Blended Component Unit Total	Total Primary Government	Eliminations	Total
ASSETS							
Cash and Investments	\$ 3,830,953	\$ 13,855	\$ 40,800	\$ 3,885,608	\$ 29,503,448	\$ -	\$ 33,389,056
Other Current Assets	226,412	-	-	226,412	1,638,288	-	1,864,700
Noncurrent Assets	-	-	-	-	514,005	-	514,005
Capital Assets	14,540	-	-	14,540	36,129,395	-	36,143,935
Interprogram Due from	-	-	-	-	1,328,577	(1,328,577)	-
Deferred Outflows	-	-	-	-	3,500,848	-	3,500,848
Total Assets and Deferred Outflows	<u>\$ 4,071,905</u>	<u>\$ 13,855</u>	<u>\$ 40,800</u>	<u>\$ 4,126,560</u>	<u>\$ 72,614,561</u>	<u>\$ (1,328,577)</u>	<u>\$ 75,412,544</u>
LIABILITIES							
Current Liabilities	\$ 18,664	\$ -	\$ -	\$ 18,664	\$ 4,904,043	\$ -	\$ 4,922,707
Noncurrent Liabilities	16,437	-	-	16,437	11,490,470	-	11,506,907
Interprogram Due To	-	-	-	-	1,328,577	(1,328,577)	-
Deferred Inflows	-	-	-	-	227,558	-	227,558
Total Liabilities and Deferred Inflows	<u>35,101</u>	<u>-</u>	<u>-</u>	<u>35,101</u>	<u>17,950,648</u>	<u>(1,328,577)</u>	<u>16,657,172</u>
NET POSITION							
Net Investment in Capital Assets	14,540	-	-	14,540	34,622,227	-	34,636,767
Restricted	155,398	-	-	155,398	266,332	-	421,730
Unrestricted	<u>3,866,866</u>	<u>13,855</u>	<u>40,800</u>	<u>3,921,521</u>	<u>19,775,354</u>	<u>-</u>	<u>23,696,875</u>
Total Net Position	<u>4,036,804</u>	<u>13,855</u>	<u>40,800</u>	<u>4,091,459</u>	<u>54,663,913</u>	<u>-</u>	<u>58,755,372</u>
Total Liabilities and Net Position	<u>\$ 4,071,905</u>	<u>\$ 13,855</u>	<u>\$ 40,800</u>	<u>\$ 4,126,560</u>	<u>\$ 72,614,561</u>	<u>\$ (1,328,577)</u>	<u>\$ 75,412,544</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS
(CONTINUED)**

	Washoe Affordable Housing Corporation	Transitional Housing Corporation	Sutro Management, LLC	Blended Component Unit Total	Total Primary Government	Eliminations	Total
OPERATING REVENUES							
Grants	\$ 27,892,435	\$ -	\$ 14,004	\$ 27,906,439	\$ 60,102,600	\$ (30,043,778)	\$ 57,965,261
Rental Income	-	-	-	-	8,122,182	-	8,122,182
Other Revenue	105,826	-	-	105,826	1,093,711	(167,640)	1,031,897
Total Operating Revenue	27,998,261	-	14,004	28,012,265	69,318,493	(30,211,418)	67,119,340
OPERATING EXPENSES							
Administrative	652,035	-	-	652,035	9,760,247	(2,304,979)	8,107,303
Utilities	7,588	-	-	7,588	1,140,819	-	1,148,407
Maintenance	19,981	-	-	19,981	3,184,161	-	3,204,142
Tenant Services	-	-	-	-	790,034	-	790,034
General Expenses	22,949	-	-	22,949	29,135,943	(27,906,439)	1,252,453
Housing Assistance Payments	26,899,378	-	-	26,899,378	24,224,869	-	51,124,247
Depreciation	6,018	-	-	6,018	3,107,669	-	3,113,687
Total Operating Expenses	27,607,949	-	-	27,607,949	71,343,742	(30,211,418)	68,740,273
Operating Income (Loss)	390,312	-	14,004	404,316	(2,025,249)	-	(1,620,933)
Total Nonoperating Revenues/(Expenses)	28,444	6,741	-	35,185	236,998	-	272,183
Income (Loss) Before Capital Grants	418,756	6,741	14,004	439,501	(1,788,251)	-	(1,348,750)
Capital Grants	-	-	-	-	1,368,800	-	1,368,800
Equity Transfer	1,271	-	-	1,271	(1,271)	-	-
CHANGE IN NET POSITION	420,027	6,741	14,004	440,772	(420,722)	-	20,050
Total Net Position - Beginning of Year	3,616,777	7,114	26,796	3,650,687	55,084,635	-	58,735,322
TOTAL NET POSITION - END OF YEAR	<u>\$ 4,036,804</u>	<u>\$ 13,855</u>	<u>\$ 40,800</u>	<u>\$ 4,091,459</u>	<u>\$ 54,663,913</u>	<u>\$ -</u>	<u>\$ 58,755,372</u>
Net Cash Provided (Used) by:							
Operating Activities	\$ 370,231	\$ -	\$ 14,004	\$ 384,235	\$ (573,244)	\$ -	\$ (189,009)
Capital and Related Financing Activities	-	-	-	-	4,066,941	-	4,066,941
Investing Activities	28,444	6,741	-	35,185	308,016	-	343,201
Net Increase / (Decrease) in Cash and Cash Equivalents	398,675	6,741	14,004	419,420	3,801,713	-	4,221,133
Cash and Cash Equivalents - Beginning of Year	3,432,278	7,114	26,796	3,466,188	25,701,735	-	29,167,923
Cash and Cash Equivalents - End of Year	<u>\$ 3,830,953</u>	<u>\$ 13,855</u>	<u>\$ 40,800</u>	<u>\$ 3,885,608</u>	<u>\$ 29,503,448</u>	<u>\$ -</u>	<u>\$ 33,389,056</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 JOINT POWERS AGREEMENTS

Property and Liability Insurance

The Authority participates in a joint venture under a Joint Powers Agreement (JPA) with the Housing Authorities Risk Retention Pool (HARRP). HARRP was formed to provide property and liability insurance coverage for member housing authorities. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. Settlements have not exceeded insurance coverage in each of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior fiscal year.

NOTE 14 CONTINGENT LIABILITIES

Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

Pending Legal Matters

As of REPORT DATE, the date that the financial statements were available to be issued, the Authority had outstanding litigation cases that had not yet been resolved. The Authority has assessed the likelihood of such cases resulting in monetary settlement to be minimal and as such has not recorded an associated liability as fiscal year-end.

REQUIRED SUPPLEMENTARY INFORMATION

Draft
Subject to Change
2/23/24

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Last 10 Years*					
Measurement Date Year Ended	Authority's Proportion of Net Pension Liability	Authority's Proportion Share of Net Pension Liability	Authority Covered Payroll	Authority's Proportion Share of Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the total Pension Liability
June 30, 2015	0.049868%	\$ 5,714,641	\$ 2,853,604	200%	75.1%
June 30, 2016	0.048670%	\$ 6,549,310	\$ 2,948,118	222%	72.2%
June 30, 2017	0.048180%	\$ 6,407,288	\$ 2,943,630	218%	74.4%
June 30, 2018	0.047640%	\$ 6,497,107	\$ 3,158,514	206%	75.2%
June 30, 2019	0.047350%	\$ 6,457,140	\$ 3,251,213	199%	76.5%
June 30, 2020	0.046590%	\$ 6,489,729	\$ 3,337,524	194%	77.0%
June 30, 2021	0.049490%	\$ 4,512,737	\$ 3,437,650	131%	86.5%
June 30, 2022	0.049050%	\$ 8,855,618	\$ 4,130,166	214%	75.1%

*Fiscal year ending June 30, 2015 was the first year of implementation, therefore only eight years are shown.

Draft
Subject to Change
2/23/24

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS**

Last 10 Years*

Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered - Payroll	Contributions as a Percentage of Covered - Payroll
June 30, 2015	\$ 367,402	\$ (367,402)	\$ -	\$ 2,853,604	25.8%
June 30, 2016	\$ 412,737	\$ (412,737)	\$ -	\$ 2,948,118	28.1%
June 30, 2017	\$ 398,113	\$ (466,731)	\$ (68,618)	\$ 2,943,630	29.4%
June 30, 2018	\$ 441,894	\$ (441,894)	\$ -	\$ 3,158,514	14.0%
June 30, 2019	\$ 455,857	\$ (455,857)	\$ -	\$ 3,251,213	14.0%
June 30, 2020	\$ 485,731	\$ (485,731)	\$ -	\$ 3,337,524	14.6%
June 30, 2021	\$ 517,458	\$ (517,458)	\$ -	\$ 3,437,650	15.1%
June 30, 2022	\$ 540,359	\$ (540,359)	\$ -	\$ 3,636,992	14.9%
June 30, 2023	\$ 727,094	\$ (727,094)	\$ -	\$ 4,888,027	14.9%

Valuation Date

June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

Individual Entry Age Normal

Amortization Method

Level Percentage of Payroll

Asset Valuation Method

Market value of assets less unrecognized returns in each of the last five years.

Inflation

2.50%

Payroll Growth

3.50%, including inflation

Salary Increase

Regular: 4.20% to 9.10%, depending on service
Rates include inflation and productivity increases

Investment Rate of Return

7.25%

*Fiscal year ending June 30, 2015 was the first year of implementation, therefore only nine years are shown.

HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS

Valuation Date Measurement Date For the Reporting Period and Fiscal Year Ending on:	Last 10 Years*					
	July 1, 2022	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Service Cost	\$ 7,218	\$ 7,744	\$ 7,182	\$ 6,281	\$ 15,551	\$ 13,829
Interest	31,865	25,909	26,767	26,809	27,584	23,976
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	(119,934)	-	138,343	-	113,274
Changes in Assumptions	-	(8,544)	-	98,140	-	-
Benefit Payments	(66,736)	(68,888)	(62,559)	(63,505)	(48,647)	(50,739)
Net Changes in OPEB Liability	(27,653)	(163,713)	(28,610)	206,068	(5,512)	100,340
Total OPEB Liability - Beginning of Period	804,912	968,625	997,235	791,167	796,679	663,411
Prior Period Adjustment	-	-	-	-	-	32,928
Total OPEB Liability - End of Period	<u>\$ 777,259</u>	<u>\$ 804,912</u>	<u>\$ 968,625</u>	<u>\$ 997,235</u>	<u>\$ 791,167</u>	<u>\$ 796,679</u>
Covered Employee Payroll	4,254,071	4,130,166	3,437,650	3,337,524	3,687,965	3,580,549
Plan NOL as % of Covered Employee Payroll	18.27%	19.49%	28.18%	29.88%	21.45%	22.25%

*Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until ten years of data becomes available.

Draft
Subject to Change
2/23/24

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS**

	Last 10 Years*					
	June 30,2023	June 30,2022	June 30,2021	June 30,2020	June 30,2019	June 30,2018
Service Cost	\$ 7,218	\$ 7,744	\$ 7,182	\$ 6,281	\$ 15,551	\$ 13,829
30 Year Level Dollar Amortization of NOL	30,056	31,126	46,555	47,930	23,999	27,259
Actuarial Determined Contribution	<u>37,274</u>	<u>38,870</u>	<u>53,737</u>	<u>54,211</u>	<u>39,550</u>	<u>41,088</u>
Contributions in Relation to the Actuarially Determined Contribution	<u>(66,736)</u>	<u>(68,888)</u>	<u>(62,559)</u>	<u>(63,505)</u>	<u>(39,550)</u>	<u>(41,088)</u>
Contribution Deficiency	<u>\$ (29,462)</u>	<u>\$ (30,018)</u>	<u>\$ (8,822)</u>	<u>\$ (9,294)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 4,254,071	\$ 4,130,166	\$ 3,437,650	\$ 3,337,524	\$ 3,687,965	\$ 3,580,549
Contribution as a % of Covered Employee Payroll	1.57%	1.67%	1.82%	1.90%	1.07%	1.15%
Discount Rate	4.09%	4.09%	2.75%	2.75%	3.50%	3.50%

*Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until ten years of data becomes available.

Draft
Subject to Change
2/23/24

OTHER SUPPLEMENTARY INFORMATION

Draft
Subject to Change
2/23/24

HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>Department of Housing and Urban Development (HUD)</u>				
Direct Programs:				
Section 8 Project Based Cluster:				
Section 8 Housing Assistance Payments Program	14.195	N/A	\$ -	\$ 27,906,439
Total Section 8 Project-Based Cluster			-	27,906,439
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers – COVID-19 Emergency Housing Vouchers	14.871	N/A	-	987,570
Total Housing Voucher Cluster			-	987,570
Resident Opportunities Supportive Services	14.870	N/A	-	183,879
Moving to Work Demonstration (MTW) Program:				
MTW Demonstration Program for Low Rent	14.881	N/A	-	1,746,494
MTW Demonstration Program for Capital Fund	14.OPS	N/A	-	1,368,800
MTW Demonstration Program for HCV Program	14.CFP	N/A	-	25,309,894
Total MTW Program	14.HCV	N/A	-	28,425,188
Total U.S. Department of Housing and Urban Development			-	57,503,076
<u>Department of Treasury</u>				
Pass-through from the City of Sparks:				
COVID-19 Coronavirus Relief Fund	21.019	JC8PKJTFNM86	-	189,191
Total COVID-19 Coronavirus Relief Fund			-	189,191
Pass-through from the City of Reno:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	M3Q3R666XNF7	-	302,009
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			-	302,009
Pass-through from the State of Nevada:				
COVID-19 Emergency Rental Assistance	21.023	F99FYNEGXSH9	-	1,803,950
Total COVID-19 Emergency Rental Assistance			-	1,803,950
Total Department of Treasury			-	2,295,150
Total Expenditures of Federal Awards			\$ -	\$ 59,798,226

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the City of Reno (the Authority) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The Authority has elected to not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

The Authority did not pass-through any federal awards to subrecipients. The Authority was a recipient of COVID-19 federal awards passed through from other entities for the year ended June 30, 2023. See the accompanying schedule.

NOTE 5 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash federal assistance for the year ended June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	Section 8 Housing Assistance Payments	Shelter Plus Care	Neighborhood Stabilization Program	Family Self Sufficiency	Coronavirus State and Local Fiscal Recovery Funds	Housing Investment Partnerships
CURRENT ASSETS												
Cash:												
111	Unrestricted	\$ 1,108	\$ -	\$ -	\$ -	\$ 4,740,069	\$ -	\$ 14,475	\$ 6,247,413	\$ -	\$ -	\$ 591,565
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	-	2,572,401	-
113	Other restricted	69,032	-	-	-	194,106	-	-	-	3,194	-	-
114	Tenant security deposits	223,468	-	-	-	-	-	-	120,036	-	-	9,321
100	Total cash	293,608	-	-	-	4,934,175	-	14,475	6,367,449	3,194	2,572,401	600,886
Accounts and notes receivable:												
121	PHA Projects	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	149,733	-	-	-	-	-	-	-	-	-	-
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	41,318	-	-	-	7,227	-	-	19,590	-	-	12,356
126	Tenants	222,908	-	-	-	466,122	-	-	10,371	-	-	-
126.1	Allowance for doubtful accounts - tenants	(169,299)	-	-	-	(365,773)	-	-	(5,229)	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	(9,772)	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	26,701	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	244,860	-	-	-	107,576	-	-	41,661	-	-	12,356
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	29,190	-	-	-	31,452	-	-	19,024	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	567,458	-	-	-	5,073,203	-	14,475	6,428,134	3,194	2,572,401	613,242
NONCURRENT ASSETS												
Fixed assets:												
161	Land	2,273,745	-	-	-	-	-	-	2,901,945	-	-	143,190
162	Buildings	55,135,649	-	-	-	86,852	-	-	13,871,213	-	-	1,535,871
163	Furniture, equipment and mach - dwellings	1,352,208	-	-	-	366,900	-	-	111,045	-	-	-
165	Leasehold Improvements	404,505	-	-	-	-	-	-	100,187	-	-	-
164	Furniture, equipment and mach - admin.	687,018	-	-	-	-	-	-	2,711	-	-	-
166	Accumulated depreciation	(48,379,285)	-	-	-	(180,845)	-	-	(5,190,971)	-	-	(603,671)
167	Construction in progress	2,800	-	-	-	-	-	-	-	-	420,547	-
160	Total fixed assets, net of accumulated depreciation	11,476,640	-	-	-	272,907	-	-	11,796,130	-	420,547	1,075,390
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	-	117,548	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	11,476,640	-	-	-	272,907	-	-	11,913,678	-	420,547	1,075,390
200	Deferred Outflow of Resources	827,452	-	-	-	1,373,627	-	-	144,838	-	-	1,694
TOTAL ASSETS AND DEFERRED												
290	OUTFLOWS OF RESOURCES	\$ 12,871,550	\$ -	\$ -	\$ -	\$ 6,719,737	\$ -	\$ 14,475	\$ 18,486,650	\$ 3,194	\$ 2,992,948	\$ 1,690,326

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Coronavirus Relief Fund	Emergency Housing Vouchers	Emergency Rental Assistance	Community Development Block Grant	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
CURRENT ASSETS														
Cash:														
111	Unrestricted	\$ 3,215	\$ -	\$ 3,534,715	\$ 3,730,210	\$ 647,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,509,958	\$ 241,520	\$ 19,751,478
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	2,572,401	-	2,572,401
113	Other restricted	-	-	48,031	155,398	-	-	195,658	-	-	-	665,419	450,540	1,115,959
114	Tenant security deposits	16,185	-	136,018	-	-	-	-	-	-	-	505,028	17,350	522,378
100	Total cash	19,400	-	3,718,764	3,885,608	647,188	-	195,658	-	-	-	23,252,806	709,410	23,962,216
Accounts and notes receivable:														
121	PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	70,966	-	184,631	-	-	-	31,417	-	-	436,747	-	436,747
124	Other government	-	-	350,000	-	-	-	-	-	-	-	350,000	-	350,000
125	Miscellaneous	-	-	417,047	20,519	16,579	-	-	-	-	-	534,636	-	534,636
126	Tenants	2,304	-	130,694	-	12,194	-	-	-	-	-	844,593	5,580	850,173
126.1	Allowance for doubtful accounts - tenants	-	-	(18,087)	-	-	-	-	-	-	-	(558,388)	-	(558,388)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	(9,772)	-	(9,772)
127	Notes, loans, and mortgages receivable - current	1,742	-	-	-	-	-	-	-	-	-	28,443	-	28,443
129	Accrued interest receivable	-	-	49,751	-	-	-	-	-	-	-	49,751	-	49,751
120	Total receivables, net of allowances for uncollectibles	4,046	70,966	929,405	205,150	28,773	-	-	31,417	-	-	1,676,010	5,580	1,681,590
131	Investments - unrestricted	-	-	10,136,250	-	-	-	-	-	-	-	10,136,250	-	10,136,250
142	Prepaid expenses and other assets	17,964	-	3,685	21,262	66,113	-	-	-	-	-	188,690	27,525	216,215
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	-	-	1,328,577	-	-	-	-	-	-	(1,328,577)	-	-	-
150	Total current assets	41,410	70,966	16,116,681	4,112,020	742,074	-	195,658	31,417	-	(1,328,577)	35,253,756	742,515	35,996,271
NONCURRENT ASSETS														
Fixed assets:														
161	Land	322,400	-	2,908,772	-	-	-	-	-	-	-	8,550,052	1,394,064	9,944,116
162	Buildings	1,920,861	-	15,579,441	40,161	977,367	-	-	-	-	-	89,147,415	11,121,757	100,269,172
163	Furniture, equipment and mach - dwellings	-	-	118,676	-	10,460	-	-	-	-	-	1,959,289	229,671	2,188,960
165	Leasehold Improvements	27,755	-	-	-	-	-	-	-	-	-	532,447	-	532,447
164	Furniture, equipment and mach - admin.	(2,000)	-	111,963	62,761	1,554,407	-	-	-	-	-	2,416,860	-	2,416,860
166	Accumulated depreciation	(700,417)	-	(10,339,514)	(88,382)	(1,471,876)	-	-	-	-	-	(66,954,961)	(1,104,149)	(68,059,110)
167	Construction in progress	-	-	64,086	-	5,400	-	-	-	-	-	492,833	-	492,833
160	Total fixed assets, net of accumulated depreciation	1,568,599	-	8,443,424	14,540	1,075,758	-	-	-	-	-	36,143,935	11,641,343	47,785,278
171	Notes, loans and mortgages receivable -noncurrent	-	-	351,000	-	-	-	-	-	-	-	468,548	-	468,548
174	Other assets	-	-	45,457	-	-	-	-	-	-	-	45,457	112,799	158,256
180	Total noncurrent assets	1,568,599	-	8,839,881	14,540	1,075,758	-	-	-	-	-	36,657,940	11,754,142	48,412,082
200	Deferred Outflow of Resources	5,083	-	235,728	-	912,426	-	-	-	-	-	3,500,848	-	3,500,848
TOTAL ASSETS AND DEFERRED														
290	OUTFLOWS OF RESOURCES	\$ 1,615,092	\$ 70,966	\$ 25,192,290	\$ 4,126,560	\$ 2,730,258	\$ -	\$ 195,658	\$ 31,417	\$ -	\$ (1,328,577)	\$ 75,412,544	\$ 12,496,657	\$ 87,909,201

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	Section 8 Housing Assistance Payments	Shelter Plus Care	Neighborhood Stabilization Program	Family Self Sufficiency	Coronavirus State and Local Fiscal Recovery Funds	Housing Investment Partnerships
CURRENT LIABILITIES												
312	Accounts payable <= 90 days	\$ 108,835	\$ -	\$ -	\$ -	\$ 32,097	\$ -	\$ -	\$ 7,321	\$ -	\$ 3,125	\$ 56,383
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current	11,026	-	-	-	24,170	-	-	994	-	-	81
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - Other Government	242,331	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	223,488	-	-	-	-	-	-	120,036	-	-	9,321
342	Unearned revenues	30,997	-	-	-	48,539	-	-	18,685	-	2,572,401	-
343	Current portion of LT debt - capital projects	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt- operating	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	58,543	-	-	-	225,783	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	869,737	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	1,544,937	-	-	-	330,589	-	-	147,036	-	2,575,526	65,785
NONCURRENT LIABILITIES												
351	Long-term debt, net of current - capital	-	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	70,226	-	-	-	211,607	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	99,237	-	-	-	217,525	-	-	10,010	-	-	728
357	Accrued Pension and OPEB Liabilities	2,277,649	-	-	-	3,762,622	-	-	401,549	-	-	4,428
350	Total noncurrent liabilities	2,447,112	-	-	-	4,191,754	-	-	411,559	-	-	5,156
300	Total liabilities	3,992,049	-	-	-	4,522,343	-	-	558,595	-	2,575,526	70,941
400	Deferred Inflow of Resources	53,947	-	-	-	86,192	-	-	9,960	-	-	68
	Total Liabilities and Deferred Inflow of Resources	4,045,996	-	-	-	4,608,535	-	-	568,555	-	2,575,526	71,009
NET POSITION												
508.4	Net investment in capital assets	11,449,815	-	-	-	272,907	-	-	11,796,130	-	420,547	1,075,390
511.4	Restricted net position	69,032	-	-	-	194,106	-	-	-	3,194	-	-
512.4	Unrestricted net position	(2,693,293)	-	-	-	1,644,189	-	14,475	6,121,965	-	(3,125)	543,927
513	Total net position	8,825,554	-	-	-	2,111,202	-	14,475	17,918,095	3,194	417,422	1,619,317
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 12,871,550	\$ -	\$ -	\$ -	\$ 6,719,737	\$ -	\$ 14,475	\$ 18,486,650	\$ 3,194	\$ 2,992,948	\$ 1,690,326

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Coronavirus Relief Fund	Emergency Housing Vouchers	Emergency Rental Assistance	Community Development Block Grant	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
CURRENT LIABILITIES														
312	Accounts payable <= 90 days	\$ 143	\$ -	\$ 147,349	\$ 1,010	\$ 12,703	\$ -	\$ 2,034	\$ -	\$ -	\$ -	\$ 371,000	\$ 8,208	\$ 379,208
321	Accrued wage/payroll taxes payable	-	-	269,270	14,325	-	-	-	-	-	-	283,595	-	283,595
322	Accrued compensated absences - current	81	-	552	1,826	2,888	-	-	-	-	-	41,618	-	41,618
325	Accrued interest payable	-	-	11,403	-	-	-	-	-	-	-	11,403	254,182	265,585
331	Accounts payable - HUD	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - Other Government	-	-	-	-	-	-	-	-	-	-	242,331	-	242,331
341	Tenant security deposits	16,185	-	136,018	-	-	-	-	-	-	-	505,028	17,350	522,378
342	Unearned revenues	3,328	-	48,031	-	-	-	195,658	-	-	-	2,917,639	-	2,917,639
343	Current portion of LT debt - capital projects	-	-	8,266	-	255,998	-	-	-	-	-	264,264	60,882	325,146
344	Current portion of LT debt - operating	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	1,503	-	-	-	-	-	-	285,829	-	285,829
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	253,157	70,966	-	-	-	-	103,300	31,417	-	(1,328,577)	-	-	-
310	Total current liabilities	272,894	70,966	620,889	18,664	271,589	-	300,992	31,417	-	(1,328,577)	4,922,707	340,622	5,263,329
NONCURRENT LIABILITIES														
351	Long-term debt, net of current - capital	-	-	471,315	-	744,764	-	-	-	-	-	1,216,079	3,215,736	4,431,815
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-	-	-	281,833	408,615	690,448
354	Accrued compensated absences - noncurrent	728	-	5,459	16,437	25,994	-	-	-	-	-	378,118	-	378,118
357	Accrued Pension and OPEB Liabilities	13,282	-	650,594	-	2,522,753	-	-	-	-	-	9,632,877	-	9,632,877
350	Total noncurrent liabilities	14,010	-	1,127,368	16,437	3,293,511	-	-	-	-	-	11,506,907	3,624,351	15,131,258
300	Total liabilities	286,904	70,966	1,748,257	35,101	3,565,100	-	300,992	31,417	-	(1,328,577)	16,429,614	3,964,973	20,394,587
400	Deferred Inflow of Resources	204	-	15,680	-	61,507	-	-	-	-	-	227,558	-	227,558
	Total Liabilities and Deferred Inflow of Resources	287,108	70,966	1,763,937	35,101	3,626,607	-	300,992	31,417	-	(1,328,577)	16,657,172	3,964,973	20,622,145
NET POSITION														
508.4	Net investment in capital assets	1,568,599	-	7,963,843	14,540	74,996	-	-	-	-	-	34,636,767	8,364,725	43,001,492
511.4	Restricted net position	-	-	-	155,398	-	-	-	-	-	-	421,730	450,360	872,090
512.4	Unrestricted net position	(240,615)	-	15,464,510	3,921,521	(971,345)	-	(105,334)	-	-	-	23,696,875	(283,401)	23,413,474
513	Total net position	1,327,984	-	23,428,353	4,091,459	(896,349)	-	(105,334)	-	-	-	58,755,372	8,531,684	67,287,056
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,615,092</u>	<u>\$ 70,966</u>	<u>\$ 25,192,290</u>	<u>\$ 4,126,560</u>	<u>\$ 2,730,258</u>	<u>\$ -</u>	<u>\$ 195,658</u>	<u>\$ 31,417</u>	<u>\$ -</u>	<u>\$ (1,328,577)</u>	<u>\$ 75,412,544</u>	<u>\$ 12,496,657</u>	<u>\$ 87,909,201</u>

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	Section 8 Housing Assistance Payments	Shelter Plus Care	Neighborhood Stabilization Program	Family Self Sufficiency	Coronavirus State and Local Fiscal Recovery Funds	Housing Investment Partnerships
REVENUE												
70300	Net tenant rental revenue	\$ 3,126,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,156,761		\$ -	\$ 94,071
70400	Tenant revenue - other	254,338	-	-	-	-	-	-	14,700		-	206
70500	Total tenant revenue	3,381,226	-	-	-	-	-	-	1,171,461		-	94,277
70600	HUD PHA operating grants	-	1,746,494	25,309,894	-	-	27,906,439	-	-	-	-	-
70610	Capital grants	-	-	-	1,368,800	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	302,009	-
71100	Investment income - unrestricted	30,081	-	-	-	(42)	-	-	79,664	-	-	-
71400	Fraud recovery	-	-	-	-	31,388	-	-	-	-	-	-
71500	Other revenue	5,940	-	-	-	115,712	-	-	-	3,194	-	-
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	3,417,247	1,746,494	25,309,894	1,368,800	147,058	27,906,439	-	1,251,125	3,194	302,009	94,277
EXPENSES												
Administrative:												
91100	Administrative salaries	554,699	-	-	-	1,859,757	-	-	72,476	-	-	236
91200	Auditing fees	43,513	-	-	-	10,838	-	-	-	-	-	-
91300	Management fee	711,354	-	-	-	368,220	-	-	106,064	-	-	9,470
91310	Bookkeeping fee	5,635	-	-	-	230,140	-	-	10,080	-	-	900
91400	Advertising	2,296	-	-	-	2,234	-	-	-	-	-	-
91500	Employee benefit contributions - admin	374,749	-	-	-	978,241	-	-	44,726	-	-	1,589
91600	Office expense	389,880	-	-	-	510,802	-	-	3,485	-	-	-
91700	Legal expense	5,617	-	-	-	-	-	-	2,374	-	-	233
91800	Travel	2,294	-	-	-	1,508	-	-	-	-	-	-
91900	Other	53,321	-	-	-	43,801	-	525	72,233	-	-	591
	Total administrative	2,143,358	-	-	-	4,005,541	-	525	311,438	-	-	13,019
92000	Asset Management Fee	29,880	-	-	-	-	-	-	-	-	-	-
Tenant services:												
92100	Salaries	80,769	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	414	-	-	-	-	-	-	-	-	-	-
92400	Other	296,339	-	-	-	10,548	-	-	-	-	-	-
	Total tenant services	377,522	-	-	-	10,548	-	-	-	-	-	-
Utilities:												
93100	Water	139,472	-	-	-	-	-	-	3,952	-	-	-
93200	Electricity	84,913	-	-	-	-	-	-	3,739	-	-	201
93300	Gas	69,335	-	-	-	-	-	-	3,587	-	-	284
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	405,836	-	-	-	-	-	-	43,593	-	-	5,931
93800	Other utilities expense	23,678	-	-	-	-	-	-	417	-	-	-
	Total utilities	723,234	-	-	-	-	-	-	55,288	-	-	6,416
Ordinary maintenance and operations:												
94100	Labor	574,573	-	-	-	79	-	-	138,265	-	-	2,142
94200	Materials and other	248,108	-	-	-	893	-	-	47,803	-	-	485
94300	Contracts	853,797	-	-	-	18,101	-	-	117,419	0	-	44
94500	Employee benefits contribution	341,995	-	-	-	-	-	-	76,533	-	-	-
	Total ordinary maintenance and operations	2,018,473	-	-	-	19,073	-	-	380,020	-	-	2,671

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Coronavirus Relief Fund	Emergency Housing Vouchers	Emergency Rental Assistance	Community Development Block Grant	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
REVENUE														
70300	Net tenant rental revenue	\$ 157,071	\$ -	\$ 3,275,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,809,858	\$ 406,064	\$ 8,215,922
70400	Tenant revenue - other	505	-	42,575	-	-	-	-	-	-	-	312,324	3,665	315,989
70500	Total tenant revenue	157,576	-	3,317,642	-	-	-	-	-	-	-	8,122,182	409,729	8,531,911
70600	HUD PHA operating grants	-	183,879	-	-	-	-	523,405	-	-	-	55,670,111	-	55,670,111
706.10	Capital grants	-	-	-	-	-	-	-	-	-	-	1,368,800	-	1,368,800
70710	Management fee	-	-	-	-	1,562,509	-	-	-	-	(1,562,509)	-	-	-
70720	Asset Management fee	-	-	-	-	29,880	-	-	-	-	(29,880)	-	-	-
70730	Bookkeeping fee	-	-	-	-	544,950	-	-	-	-	(544,950)	-	-	-
70750	Other Service Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	27,906,439	-	189,191	-	1,803,950	-	(27,906,439)	2,295,150	-	2,295,150
71100	Investment income - unrestricted	-	-	132,939	35,185	29,701	-	-	-	-	-	307,528	15	307,543
71400	Fraud recovery	-	-	-	-	-	-	62	-	-	-	31,450	-	31,450
71500	Other revenue	-	-	496,298	105,826	180,835	-	-	-	-	(167,640)	740,165	914,553	1,654,718
71600	Gain or loss on sale of capital assets	-	-	260,282	-	-	-	-	-	-	-	260,282	-	260,282
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	157,576	183,879	4,207,161	28,047,450	2,347,875	189,191	523,467	1,803,950	-	(30,211,418)	68,795,668	1,324,297	70,119,965
EXPENSES														
Administrative:														
91100	Administrative salaries	723	-	143,622	224,091	1,241,253	-	37,789	87,014	-	-	4,221,660	40,368	4,262,028
91200	Auditing fees	-	-	-	3,247	7,346	-	-	-	-	-	64,944	-	64,944
91300	Management fee	20,834	-	193,573	-	-	189,191	10,848	-	-	(1,562,509)	47,045	47,981	95,026
91310	Bookkeeping fee	1,980	-	3,775	285,660	-	-	6,780	-	-	(544,950)	-	-	-
91400	Advertising	-	-	1,240	-	3,557	-	-	-	-	-	9,327	-	9,327
91500	Employee benefit contributions - admin	4,182	-	59,301	64,976	576,226	-	18,109	18,227	-	-	2,140,326	-	2,140,326
91600	Office expense	-	-	53,775	43,380	338,833	-	2,969	8,383	-	(167,640)	1,183,867	-	1,183,867
91700	Legal expense	388	-	2,137	400	91,874	-	-	-	-	-	103,023	12,505	115,528
91800	Travel	-	-	2,429	16,567	18,593	-	-	-	-	-	41,391	-	41,391
91900	Other	41,595	-	30,302	13,714	39,553	-	1	84	-	-	295,720	37,077	332,797
	Total administrative	69,702	-	490,154	652,035	2,317,235	189,191	76,496	113,708	-	(2,275,099)	8,107,303	137,931	8,245,234
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	(29,880)	-	-	-
Tenant services:														
92100	Salaries	-	116,554	-	-	1,591	-	-	-	-	-	198,914	-	198,914
92300	Employee benefit contributions	-	64,688	-	-	-	-	-	-	-	-	65,102	-	65,102
92400	Other	-	-	69,769	-	-	-	149,362	-	-	-	526,018	-	526,018
	Total tenant services	-	181,242	69,769	-	1,591	-	149,362	-	-	-	790,034	-	790,034
Utilities:														
93100	Water	1,728	-	39,246	265	1,592	-	-	-	-	-	186,255	-	186,255
93200	Electricity	2,147	-	35,957	1,528	19,826	-	-	-	-	-	148,311	6,082	154,393
93300	Gas	1,375	-	21,176	1,467	4,328	-	-	-	-	-	101,552	39,251	140,803
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	2,029	2,029
93600	Sewer	9,924	-	159,347	654	-	-	-	-	-	-	625,285	32,445	657,730
93800	Other utilities expense	24	-	22,991	3,674	36,220	-	-	-	-	-	87,004	97	87,101
	Total utilities	15,198	-	278,717	7,588	61,966	-	-	-	-	-	1,148,407	79,904	1,228,311
Ordinary maintenance and operations:														
94100	Labor	7,121	-	201,957	781	303	-	-	-	-	-	925,221	-	925,221
94200	Materials and other	2,368	-	100,693	531	5,058	-	-	-	-	-	405,939	84,735	490,674
94300	Contracts	17,807	-	279,776	18,669	82,534	-	-	-	-	-	1,388,147	-	1,388,147
94500	Employee benefits contribution	-	-	66,307	-	-	-	-	-	-	-	484,835	-	484,835
	Total ordinary maintenance and operations	27,296	-	648,733	19,981	87,895	-	-	-	-	-	3,204,142	84,735	3,288,877

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	Section 8 Housing Assistance Payments	Shelter Plus Care	Neighborhood Stabilization Program	Family Self Sufficiency	Coronavirus State and Local Fiscal Recovery Funds	Housing Investment Partnerships
EXPENSES (Continued)												
96110	Property insurance	\$ 184,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,514	\$ -	\$ -	\$ 2,346
96120	Liability insurance	14,576	-	-	-	-	-	-	2,093	-	-	185
96130	Worker's Compensation	29,582	-	-	-	42,990	-	-	5,294	-	-	63
96140	All other insurance	24,828	-	-	-	1,619	-	-	4,331	-	-	240
96100	Total insurance premiums	253,292	-	-	-	44,609	-	-	38,232	-	-	2,834
General expenses:												
96200	Other general expenses	7,875	-	-	-	4,011	27,906,439	-	25,992	-	-	-
96210	Compensated absences	66,074	-	-	-	211,464	-	-	10,279	-	-	-
96300	Payment in lieu of taxes	246,555	-	-	-	-	-	-	559	-	-	48
96400	Bad debt - tenant rents	76,278	-	-	-	68,675	-	-	885	-	-	-
96000	Total general expenses	396,780	-	-	-	284,150	27,906,439	-	37,715	-	-	48
96710	Interest of mortgage payable	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	-	-	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	5,942,539	-	-	-	4,363,921	27,906,439	525	822,693	-	-	24,988
97000	Excess of operating revenue over operating expenses	(2,525,292)	1,746,494	25,309,894	1,368,800	(4,216,863)	-	(525)	428,432	-	302,009	69,289
97300	Housing assistance payments	-	-	-	-	21,607,708	-	-	-	-	-	-
97350	HAP Portability-in	-	-	-	-	167,746	-	-	-	-	-	-
97400	Depreciation expense	1,432,660	-	-	-	60,537	-	-	547,995	-	-	69,334
90000	Total expenses	7,375,199	-	-	-	26,199,912	27,906,439	525	1,370,688	-	-	94,322
Other financing sources (uses):												
10010	Operating transfer in	125,234	-	-	-	28,425,188	-	-	-	-	115,413	2,438
10020	Operating transfer out	(125,234)	(1,746,494)	(25,309,894)	(1,368,800)	-	-	-	-	-	-	-
10093	Transfers between Program and Project - In	3,985,902	-	-	-	-	-	-	-	-	-	-
10094	Transfers between Program and Project - Out	-	-	-	-	(3,985,902)	-	-	-	-	-	-
10100	Total other financing sources (uses)	3,985,902	(1,746,494)	(25,309,894)	(1,368,800)	24,439,286	-	-	-	-	115,413	2,438
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 27,950	\$ -	\$ -	\$ -	\$ (1,613,569)	\$ -	\$ (525)	\$ (119,563)	\$ 3,194	\$ 417,422	\$ 2,393

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Coronavirus Relief Fund	Emergency Housing Vouchers	Emergency Rental Assistance	Community Development Block Grant	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
EXPENSES (Continued)														
96110	Property insurance	\$ 5,162	\$ -	\$ 88,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,654	\$ -	\$ 306,654
96120	Liability insurance	407	-	6,920	-	-	-	-	-	-	-	24,181	-	24,181
96130	Worker's Compensation	187	2,637	8,311	4,686	22,201	-	834	1,705	-	-	118,490	-	118,490
96140	All other insurance	528	-	8,969	-	10,134	-	-	-	-	-	50,649	-	50,649
96100	Total insurance premiums	6,284	2,637	112,526	4,686	32,335	-	834	1,705	-	-	499,974	-	499,974
General expenses:														
96200	Other general expenses	-	-	809	-	5,771	-	-	-	-	(27,906,439)	44,458	20,233	64,691
96210	Compensated absences	-	-	-	18,263	878	-	-	-	-	-	306,958	-	306,958
96300	Payment in lieu of taxes	179	-	453	-	-	-	-	-	-	-	247,794	-	247,794
96400	Bad debt - tenant rents	-	-	7,433	-	-	-	-	-	-	-	153,269	1,005	154,274
96000	Total general expenses	179	-	8,695	18,263	6,649	-	-	-	-	(27,906,439)	752,479	21,238	773,717
96710	Interest of mortgage payable	-	-	6,870	-	28,475	-	-	-	-	-	35,345	131,904	167,249
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	7,370	7,370
96700	Total interest expense and amortization	-	-	6,870	-	28,475	-	-	-	-	-	35,345	139,274	174,619
96900	Total operating expenses	118,659	183,879	1,615,464	702,553	2,536,146	189,191	226,692	115,413	-	(30,211,418)	14,537,684	463,082	15,000,766
97000	Excess of operating revenue over operating expenses	38,917	-	2,591,697	27,344,897	(188,271)	-	296,775	1,688,537	-	-	54,257,984	861,215	55,119,199
97300	Housing assistance payments	-	-	-	26,899,378	-	-	760,878	1,688,537	-	-	50,956,501	-	50,956,501
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	167,746	-	167,746
97400	Depreciation expense	75,212	-	554,319	6,018	367,612	-	-	-	-	-	3,113,687	442,412	3,556,099
90000	Total expenses	193,871	183,879	2,169,783	27,607,949	2,903,758	189,191	987,570	1,803,950	-	(30,211,418)	68,775,618	905,494	69,681,112
Other financing sources (uses):														
10010	Operating transfer in	-	-	-	-	-	-	-	-	-	(28,668,273)	-	-	-
10020	Operating transfer out	-	-	(117,851)	-	-	-	-	-	-	28,668,273	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	(3,985,902)	-	-	-
10094	Transfers between Program and Project - Out	-	-	-	-	-	-	-	-	-	3,985,902	-	-	-
10100	Total other financing sources (uses)	-	-	(117,851)	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (36,295)	\$ -	\$ 1,919,527	\$ 439,501	\$ (555,883)	\$ -	\$ (464,103)	\$ -	\$ -	\$ -	\$ 20,050	\$ 418,803	\$ 438,853

HOUSING AUTHORITY OF THE CITY OF RENO FINANCIAL DATA SCHEDULES YEAR ENDED JUNE 30, 2023

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	Section 8 Housing Assistance Payments	Shelter Plus Care	Neighborhood Stabilization Program	Family Self-Sufficiency	Coronavirus State and Local Fiscal Recovery Funds	Housing Investment Partnerships
Memo Account Information												
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	8,366,662	-	-	-	(611,468)	-	15,000	18,057,429	-	-	1,600,557
11040	Prior period adjustments, equity transfers correction	430,942	-	-	-	4,336,238	-	-	(19,771)	-	-	16,367
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	9,012	-	-	-	35,820	-	-	1,512	-	-	108
11210	Number of unit months leased	8,857	-	-	-	30,685	-	-	1,340	-	-	104
11270	Excess cash	(1,651,247)	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	1,235,870	-	-	-	-	-	-	-	-	-	-
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-

Line Item #	Accounts Description	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	CRF	EHV	ERA	CDBG	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
Memo Account Information														
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,000	\$ 102,000
11030	Beginning equity	1,355,475	-	26,150,269	3,650,687	(208,058)	-	358,769	-	-	-	58,735,322	8,112,881	66,848,203
11040	Prior period adjustments, equity transfers correction	8,804	-	(4,641,443)	1,271	(132,408)	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	264	-	4,212	38,088	-	-	1,644	-	-	-	90,660	528	91,188
11210	Number of unit months leased	256	-	3,992	38,088	-	-	904	-	-	-	84,226	507	84,733
11270	Excess cash	-	-	-	-	-	-	-	-	-	-	(1,651,247)	-	(1,651,247)
11620	Building purchases	-	-	-	-	-	-	-	-	-	-	1,235,870	-	1,235,870
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Reno
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Reno (Housing Authority of the City of Reno), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of Reno's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit as described in our report on Housing Authority of the City of Reno's financial statements. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the discretely presented component unit or that are reported on separately by those auditors who audited the financial statements of the discretely presented component unit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Reno's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Reno's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Reno's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Commissioners
Housing Authority of the City of Reno

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the City of Reno's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Baltimore, Maryland
REPORT DATE

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Housing Authority of the City of Reno
Reno, Nevada

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Reno's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Reno's major federal programs for the year ended June 30, 2023. The Housing Authority of the City of Reno's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Housing Authority of the City of Reno's basic financial statements include the operations of a discretely presented component unit which may have received federal awards which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2023. Our audit, described below, did not include the operations of the discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

In our opinion, the Housing Authority of the City of Reno complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the City of Reno and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Reno's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Authority of the City of Reno's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of the City of Reno's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of the City of Reno's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of the City of Reno's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of the City of Reno's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Reno's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLPBaltimore, Maryland
REPORT DATE

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

14.195
21.023

Name of Federal Program or Cluster

Section 8 Housing Assistance Payments Program
COVID-19 Emergency Rental Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,793,946

Auditee qualified as low-risk auditee?

 x yes _____ no

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Draft
Subject to Change
2/23/24

Board of Commissioners
Housing Authority of the City of Reno
Reno, Nevada

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Reno as of and for the year ended June 30, 2023, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work for Audit Services dated September 11, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Housing Authority of the City of Reno are described in Note 1 to the financial statements.

As described in Note 1, the Housing Authority of the City of Reno changed accounting policies related to Subscription-Based Information Technology Agreements (SBITAs) by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, in 2023. The financial statements and disclosures have been updated accordingly.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on the history of past write-offs and collections, and current credit conditions. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on management's knowledge and experience about past and current events, assumptions about future events and outside third parties. We evaluated the key factors and assumptions used to develop the net pension liability

and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net OPEB liability is based on management's knowledge and experience about past and current events, assumptions about future events and outside third parties. We evaluated the key factors and assumptions used to develop the net OPEB liability and evaluate the liabilities' effectiveness in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate for the SBITA asset and liability is based upon estimates for the discount rate, term of the SBITA, and future payments. The estimate is based on a stated interest rate or estimated incremental borrowing rate, term of the lease which includes the noncancellable period, and fixed lease payments and purchase options that the Housing Authority of the City of Reno is reasonably certain to exercise. We evaluated the key factors and assumptions described above to develop the SBITA asset and liability in determining that they are reasonable in relation to the financial statements as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated REPORT DATE.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate communication to you dated REPORT DATE, communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the

measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the financial data schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of the Housing Authority of the City of Reno and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Baltimore, Maryland
REPORT DATE

Client: **A246049 - Housing Authority of the City of Reno**
 Engagement: **AUD - Housing Authority of the City of Reno**
 Period Ending: **6/30/2023**
 Trial Balance: **0900.00 - TB**
 Workpaper: **Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 101				
FDS-only entry to balance programs due to the original crosswalk not balancing.				
BUSA - 10010	Operating Transfer In		2,438.00	
HIP - 10020	Operating Transfer Out			2,438.00
Total			2,438.00	2,438.00
Adjusting Journal Entries JE # 102				
FDS-only entry to remove fund 940 from the Emergency Rental Assistance Program for reporting purposes.				
ERA - 111	Cash - Unrestricted		5,908.00	
ERA - 70800	Other Government Grants		682,992.00	
ERA - 122	Accounts Receivable - HUD Other Projects			5,825.00
ERA - 97300	Housing Assistance Payments			683,075.00
Total			688,900.00	688,900.00
Adjusting Journal Entries JE # 103				
FDS-only entry to correct various immaterial differences between beginning equity balances and prior year ending balances per the 6/30/22 financial statements.				
DHS - 512.4	Unrestricted Net Position		2.00	
ERA - 91900	Other		1.00	
LIPH - 512.4	Unrestricted Net Position		664.00	
MTWT - 91900	Other		1.00	
NPS - 512.4	Unrestricted Net Position		4,285.00	
DHS - 91900	Other			2.00
ERA - 512.4	Unrestricted Net Position			1.00
LIPH - 91900	Other			664.00
MTWT - 512.4	Unrestricted Net Position			1.00
NPS - 91900	Other			4,285.00
Total			4,953.00	4,953.00
Adjusting Journal Entries JE # 104				
FDS-only entry to round business activities equity as the trial balance did not properly roll forward from prior year.				
BUSA - 512.4	Unrestricted Net Position		4.00	
BUSA - 91900	Other			4.00
Total			4.00	4.00
Adjusting Journal Entries JE # 105				
PBC corrections to crosswalk.				
EHV - 347	Inter Program - Due To		103,300.00	
LIPH - 162	Buildings		21,835.00	
MTWT - 97300	Housing Assistance Payments		48,146.00	
EHV - 111	Cash - Unrestricted			103,300.00
LIPH - 111	Cash - Unrestricted			21,835.00
MTWT - 111	Cash - Unrestricted			48,146.00
MTW Cares - 10010	Operating Transfer In			
Total			173,281.00	173,281.00
Adjusting Journal Entries JE # 106				
To record pension and OPEB entries for FY23.				
BUSA - 400	Deferred Inflow of Resources		395,129.00	
BUSA - 91500	Employee Benefit contributions - Administrative		12,144.00	
COCC - 11040	Prior Period Adjustment		131,137.00	
COCC - 200	Deferred Outflow of Resources		184,939.00	
COCC - 400	Deferred Inflow of Resources		881,041.00	
COCC - 91500	Employee Benefit contributions - Administrative		28,876.00	
DHS - 357	Accrued Pension and OPEB Liabilities		578.00	
DHS - 400	Deferred Inflow of Resources		11,632.00	
DHS - 91500	Employee Benefit contributions - Administrative		335.00	
HIP - 357	Accrued Pension and OPEB		11,011.00	
HIP - 400	Deferred Inflow of Resources		13,118.00	
HIP - 91500	Employee Benefit contributions - Administrative		373.00	
LIPH - 400	Deferred Inflow of Resources		1,179,436.00	
LIPH - 91500	Employee Benefit contributions - Administrative		36,722.00	
MTWT - 11040	Prior Period Adjustment		514,462.00	
MTWT - 200	Deferred Outflow of Resources		446,405.00	
MTWT - 400	Deferred Inflow of Resources		1,115,923.00	
MTWT - 91500	Employee Benefit contributions - Administrative		36,821.00	
NPS - 11040	Prior Period Adjustment		19,771.00	
NPS - 200	Deferred Outflow of Resources		28,652.00	
NPS - 400	Deferred Inflow of Resources		140,342.00	
NPS - 91500	Employee Benefit contributions - Administrative		4,607.00	
BUSA - 11040	Prior Period Adjustment			209,257.00
BUSA - 200	Deferred Outflow of Resources			76,718.00
BUSA - 357	Accrued Pension and OPEB Liabilities			121,298.00
COCC - 357	Accrued Pension and OPEB Liabilities			1,225,993.00

DHS - 11040	Prior Period Adjustment		8,804.00
DHS - 200	Deferred Outflow of Resources		3,741.00
HIP - 11040	Prior Period Adjustment		16,367.00
HIP - 200	Deferred Outflow of Resources		8,135.00
LIPH - 11040	Prior Period Adjustment		430,942.00
LIPH - 200	Deferred Outflow of Resources		112,673.00
LIPH - 357	Accrued Pension and OPEB Liabilities		672,543.00
MTWT - 357	Accrued Pension and OPEB Liabilities		2,113,611.00
NPS - 357	Accrued Pension and OPEB Liabilities		193,372.00
Total		5,193,454.00	5,193,454.00

Adjusting Journal Entries JE # 107

4007.00

PBC entry to reverse JE 223598 for correction to ports , to partially reverse JE 227813 for TAR reconciliation that excluded fund 880 due to JE 223598, with offset for the allowance correction.

MTWT - 126	Accounts Receivable - Tenants	131,794.00	
MTWT - 71500	Other Revenue	131,794.00	
MTWT - 71500	Other Revenue	139,950.00	
MTWT - 96400	Bad debt - Tenant Rents	40,262.00	
MTWT - 126	Accounts Receivable - Tenants		131,794.00
MTWT - 126.1	Allowance for Doubtful Accounts -Tenants		180,212.00
MTWT - 71500	Other Revenue		65,897.00
MTWT - 97350	HAP Portability-In		65,897.00
Total		443,800.00	443,800.00

Adjusting Journal Entries JE # 108

0928

FDS-only entry to post eliminations

ELIM - 10010	Operating Transfer In	28,668,273.00	
ELIM - 10093	Transfers between Program and Project - In	3,985,902.00	
ELIM - 70710	Management Fee	1,562,509.00	
ELIM - 70720	Asset Management Fee	29,880.00	
ELIM - 70730	Book Keeping Fee	544,950.00	
ELIM - 71500	Other Revenue	167,640.00	
ELIM - 10020	Operating transfer Out		28,668,273.00
ELIM - 10094	Transfers between Project and Program - Out		3,985,902.00
ELIM - 91300	Management Fee		1,562,509.00
ELIM - 91310	Book-keeping Fee		544,950.00
ELIM - 91600	Office Expenses		167,640.00
ELIM - 92000	Asset Management Fee		29,880.00
ELIM - 70800	Other Government Grants		
ELIM - 71500	Other Revenue		
ELIM - 91600	Office Expenses		
ELIM - 96200	Other General Expenses		
Total		34,959,154.00	34,959,154.00

Adjusting Journal Entries JE # 109

4005.00

FDS-only entry to book HUD funded incentive fees within the HAPP.

CUB - 71500	Other Revenue	98,471.00	
ELIM - 70800	Other Government Grants	98,471.00	
HAPP - 96200	Other General Expenses	98,471.00	
CUB - 70800	Other Government Grants		98,471.00
ELIM - 96200	Other General Expenses		98,471.00
HAPP - 70600	HUD PHA Operating Grants		98,471.00
Total		295,413.00	295,413.00

Adjusting Journal Entries JE # 111

1301.00

FDS-only entry to post a correction for receivables from Sutro.

BUSA - 111	Cash - Unrestricted	39,290.00	
BUSA - 345	Other Current Liabilities	394,227.00	
BUSA - 125	Accounts Receivable - Miscellaneous		433,517.00
Total		433,517.00	433,517.00

Adjusting Journal Entries JE # 112

0100.20

FDS-only entry to remove immaterial prior period adjustment.

CUB - 11040	Prior Period Adjustment	7,399.00	
CUB - 71500	Other Revenue		7,399.00
Total		7,399.00	7,399.00

Adjusting Journal Entries JE # 113

0100.20

FDS-only rounding entry to correct transfers.

LIPH - 10020	Operating transfer Out	1.00	
LIPH - 10093	Transfers between Program and Project - In	1.00	
MTWT - 91900	Other	2.00	
LIPH - 91900	Other		1.00
LIPH - 91900	Other		1.00
MTWT - 10094	Transfers between Project and Program - Out		2.00
Total		4.00	4.00

Adjusting Journal Entries JE # 114

2600.04

To account for the implementation of GASB96.

COCC - 164	Furniture, Equipment & Machinery - Administration	1,345,887.00	
COCC - 96710	Interest of Mortgage (or Bonds) Payable	28,475.00	
COCC - 97400	Depreciation Expense	343,807.00	
COCC - 166	Accumulated Depreciation		343,807.00

COCC - 343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		255,998.00
COCC - 351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		744,764.00
COCC - 91900	Other		373,600.00
Total		<u>1,718,169.00</u>	<u>1,718,169.00</u>
Total Adjusting Journal Entries		<u>43,920,486.00</u>	<u>43,920,486.00</u>
Total All Journal Entries		<u>43,920,486.00</u>	<u>43,920,486.00</u>

Draft
 Subject to Change
 2/23/24

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Housing Authority of the City of Reno
Business Type Activities
Year Ended June 30, 2023

UNCORRECTED MISSTATEMENTS OF AMOUNTS**Effect of misstatements on:**

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Overstatement of current year revenue for corrections to stale liabilities.	\$ -	\$ -	\$ -	\$ 290,485
Potential understatement of expenses due to uneliminated management fees being below the expected amounts.	\$ -	\$ -	\$ 61,177	\$ 61,177
Overstatement of assets and revenue for an over-accrual of public housing subsidy.	\$ (45,554)	\$ -	\$ 45,554	\$ 45,554
Potential overstatement of grant revenues based on variances to underlying supporting documentation.	\$ -	\$ -	\$ -	\$ 124,385
Subtotals	(45,554)	-	106,731	521,601
Income tax effect				
Net current year misstatements (Iron Curtain Method)	(45,554)	-	106,731	521,601
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ (45,554)	\$ -	\$ 106,731	\$ 521,601
Financial statement totals	<u>74,860,629</u>	<u>(15,654,672)</u>	<u>(59,205,957)</u>	<u>(470,635)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		0%	-111%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		0%	-111%

INADEQUATE DISCLOSURES OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Description	Amount (If Applicable)
N/A	N/A

Draft
Subject to Change
2/23/24

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Reno
Reno, Nevada

Report on the Audit of the Schedule

Opinion

We have audited the accompanying schedule of closed grants (the Schedule) of the Reno Housing Authority (the Authority) for the period from grant inception through June 30, 2023.

In our opinion, the Schedule referred to above presents fairly, in all material respects the funds approved, advanced, and expended for the 2019 Capital Fund Grant NV01P001501-19 of the Authority for the period from grant inception through June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of this Schedule in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

Board of Commissioners
Housing Authority of the City of Reno

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

Baltimore, Maryland
REPORT DATE

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF CLOSED GRANTS
PERIOD OF GRANT INCEPTION THROUGH JUNE 30, 2023**

2019 Capital Fund Program Grant

	<u>NV01P001501-19</u>
Funds approved	\$ 1,524,780
Funds expended	<u>1,524,780</u>
Excess of funds approved	<u>\$ -</u>
Funds authorized	\$ 1,524,780
Funds disbursed	<u>1,524,780</u>
Excess of funds advanced	<u>\$ -</u>

Draft
Subject to Change
2/23/24

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 2

February 27, 2024

SUBJECT: Approval of the minutes of the Annual Board Retreat held December 15, 2023, the special meeting held January 4, 2024, and the closed session meeting held January 4, 2024. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: Approval

MINUTES OF BOARD RETREAT
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS
DECEMBER 15, 2023

The annual Board retreat of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Aiazzi at 9:06 a.m. on Friday, December 15, 2023.

Commissioners Present

Dave Aiazzi-Chairman
Mark Sullivan- Vice Chairman
Mayor Hillary Schieve
Kathleen Taylor

Staff Present

Hilary Lopez, Ph.D., Executive Director
Heidi McKendree, Deputy Executive Director
Ryan Russell, Legal Counsel
Darren Squillante, Director of HR
JD Klippenstein, Director of Development
Josh Stice, IT Manager
Cori Fisher, Director of Resident Services
Jamie Newfelt, Director of Rental Assistance
Kristin Scott, Director of Public Housing
Kim Anhalt, Moving to Work Coordinator
April Conway, Public Affairs Officer
Lindsay Dobson, Executive Administrative Assistant
Brenda Freestone, Contract Administrator Washoe Affordable Housing Corporation (WAHC)

Others Present

Torey Gunsolley – PHActory Consulting

- **Call to order and roll call.**
- **Introduction of guests.**

First Period of Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comment from the public is limited to three minutes per person, under these items.

There was no public comment.

➤ **Approval of agenda (For Possible Action)**

Commissioner Taylor moved to approve the agenda. Vice Chairman Sullivan seconded the motion. Hearing no further discussion, Chairman Aiazzi called for the question. The vote was all ayes, no nays. Chairman Aiazzi declared the motion carried and the agenda approved.

1. Consent Agenda (For Possible Action)

a) Approval and authorization for the Executive Director to negotiate a salary and hire a Director of Finance at up to a Grade 2, Step 6 in the compensation schedule.

Commissioner Taylor moved to approve consent agenda. Vice Chairman Sullivan seconded the motion. Hearing no further discussion, Chairman Aiazzi called for the question. The vote was all ayes, no nays. Chairman Aiazzi declared the motion carried and the consent agenda approved.

2. Discussion regarding the RHA Mission, Board and Staff roles and responsibilities. (Discussion)

RHA staff reported on their roles and responsibilities and why they chose to work for the Agency.

3. Discussion and Recap of Current Goals and State of the Agency. (Discussion)

Mr. Gunsolley led a conversation between staff and the Board regarding current goals and the state of the Agency.

4. Discussion regarding Potential New Goals and/or Direction to Staff on Items of Board interest including, but not limited to:

- **One or more strategies for RHA's Scattered Site portfolio.**
- **Leveraging of housing or other assets.**
- **Public housing repositioning and new development.**
- **Senior services and programs.**

(Discussion)

Executive Director Lopez and members of the Board participated in robust conversations regarding RHA's scattered site portfolio, leveraging housing or other assets, repositioning public housing and new development as well as senior services and programs.

5. Discussion and possible setting of immediate and longer-term goals for the Agency. (Discussion and Possible Action)

Vice Chairman Sullivan moved to approve the five prioritized goals as well as the continuation of goals from the previous year's retreat with direction to the Executive Director to develop a plan to implement those goals within the next calendar year. Commissioner Taylor seconded the motion. Hearing no further discussion, Chairman Aiazzi called for the question. The vote was all ayes and no nays. Chairman Aiazzi declared the motion carried.

6. Public Comment. The opportunity for public comment is reserve for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comment from the public is limited to three minutes per person.

There was no public comment.

Meeting adjourned at 4:03 p.m.

MINUTES OF THE REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS
January 4, 2024

The regular meeting of the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Aiazzi at 12:04 pm on Thursday, January 04, 2024, in the Agency's Boardroom.

Commissioners Present

Mark Sullivan Vice Chairman
Mayor Hillary Schieve
Kathleen Taylor

Commissioners Absent

Dave Aiazzi, Chairperson

Staff Present

Hilary Lopez, Ph.D., Executive Director
Heidi McKendree, Deputy Executive Director
Ryan Russell, Legal Counsel
JD Klippenstein, Director of Development
Cori Fisher, Director of Resident Services
Lindsay Dobson, Executive Administrative Assistant

Others Present

None

There being a quorum present, the order of business was as follows:

- **Call to order and roll call.**
- **Receive introduction of guests.**

George Postrozny, city of Sparks resident.

- **First Period of Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public is limited to three minutes per person, under these items.**

Mr. Postrozny requested the Board review his submitted documents regarding his concerns with the Railyard Flats Project.

Approval of agenda. (For Possible Action)

Commissioner Taylor motioned to approve the agenda. Commissioner Schieve seconded the motion. Hearing no further discussion, Vice Chairman Sullivan called for the question. The vote was all ayes, no nays. Vice Chairman Sullivan declared the motion carried and the agenda approved.

Closed Session: The Board may give directions to staff in closed session regarding the position or positions to be taken or the strategy to be employed on the following items:

- Railyard Flats: Design comments and potential appeal submitted by adjacent property owner to the City of Sparks regarding potential change to south facing second story windows on one section of the exterior facade.
- Post-Closing Agreement with Paradise Retail I, LLC for APN 031-012-40 in Paradise Plaza Shopping Center: Discussion of the potential additional scope of work, cost, and Post-Closing Agreement with Paradise Retail I, LLC, for APN 031-012-40, otherwise known as Parcel 4-B as shown on Parcel Map No. 5306 in the Paradise Plaza Shopping Center. There will be no approval of the Post-Closing Agreement during the course of the closed session. (For discussion only)

Open Session:

- 1. Discussion and possible approval of additional scope of work and Post-Closing Agreement with Paradise Retail I, LLC for APN 031-012-40, otherwise known as Parcel 4-B as shown on Parcel Map No. 5306 in the Paradise Plaza Shopping Center. (For Possible Action)**

Commissioner Taylor motioned to approve an allocation of up to \$150,000 in MTW funds for post-closing costs on the Paradise Plaza project as presented with direction to Ryan Russell, RHA Counsel, and The Executive Director to finalize the post-closing agreement and memorialize the same with a resolution to be presented at the next Board meeting. Commissioner Schieve seconded the motion. Hearing no further discussion, Vice Chairman Sullivan called for the question. The vote was all ayes, no nays. Vice Chairman Sullivan declared the motion carried.

- 2. Discussion and possible approval of a change to the south facing second story windows on one section of the exterior façade at Railyard Flats. (For Possible Action)**

Commissioner Taylor motioned to approve a change to the windows on the Railyard Flats project as presented but said approval made as good neighbors to the adjoining property owner and the city of Sparks with no admission of any liability or fault in the currently issued permit. Commissioner Schieve seconded the motion. Hearing no further discussion, Vice Chairman Sullivan called for the question. The vote was all ayes, no nays. Vice Chairman Sullivan declared the motion carried.

Adjournment. (For Possible Action)

The meeting adjourned at 12:41 pm.

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 3****February 27, 2024**

SUBJECT: Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board member.)

FROM: Executive Director

RECOMMENDATION: For Possible Action

- a) Possible adoption of Resolution 24-02-01 RH approving a revision to the Housing Authority of the City of Reno's Administrative (ADMIN) Plan for Section 8 Housing Choice Voucher and Project Based Voucher Programs to update policies as they relate to the HUD-VASH program, the use of special housing types, and the Emergency Housing Voucher (EHV) Incentive Program.

Background:

Staff is proposing to make the following changes to the Administrative Plan for the Housing Choice Voucher and Project Based Voucher programs:

- Update the minimum rent for the HUD-VASH program to \$0. (Section 1.3.3) This change was made based on best practices described at the HUD VASH bootcamp attended in November 2023. Currently, 93% of RHA's VASH voucher holders request a waiver and reasonable accommodation for the \$50 minimum rent. Reducing this rent will remove obstacles to veterans seeking to use VASH and reduce administrative burdens.
- Clarify that the eligibility for admission for the HUD-VASH program includes low-income households. (Section 2.1.2)
- Update the listing of eligible housing types to include clear definitions of the Special Housing Types defined by HUD, including Single Room Occupancy, Congregate Housing, Shared Housing, and Group Homes. (Section 2.5)
- Update the policy on granting extensions to the voucher, to allow for extensions at the discretion of the RHA beyond the initial 180-day term. (Section 6.3.1)
- Update the Project-Based Voucher (PBV) program project cap from 25% of the units in the project to the greater of 25 units or 25% of the units in the project per the Housing Opportunities Through Modernization Act of 2016 (HOTMA). (Section 7.1.4 and 7.5.10)
- Update the length of time a client is allowed to pay the full contract rent in the PBV program from 180 days to 365 days to align with MTW Activity 2019-02 (Section 7.5.10.4)

- Clarify that rents in the PBV program will be set based on the Metro Area Fair Market Rents (MAFMR), not the Small Area Fair Market Rents (SAFMR). (Section 7.7 and 9.6)
- Update the language regarding the payment of HAP upon move-out from a PBV unit and clarify that owners are eligible to receive assistance through the Landlord Incentive Program. (Section 7.8.2)
- Update the policy on vacancy payments in the PBV program, allowing for the verbiage on vacancy payments to be stricken from individual PBV HAP Contracts prior to execution per 24 CFR 983.352(b). This will best utilize our limited resources by encouraging landlords to turn units quickly and not allocating HAP to vacant units. (Section 7.8.3)
- Delete the duplicative section regarding project-based vouchers and the Rental Assistance Demonstration (RAD) conversion as this was fully defined in Section 8. (Section 7.9)
- Update the policy on absence from the unit to allow HUD-VASH households to be absent for up to 180 days. This was another best practice discussed at the bootcamp and enables enough time for voucher holders to complete other needed services, as necessary, without requesting reasonable accommodation. (Section 18.1)
- Update the Emergency Housing Voucher (EHV) Incentive Program's Risk Mitigation Fund to include the ability for landlords to access the funds at biennial inspections as well as the initial inspection. (Section 24.3.3)

Staff Recommendation and Motion:

Staff recommends the Board of Commissioners moves to approve the updates to the Administrative Plan as presented.

- b) Possible adoption of Resolution 24-02-02 RH, which if approved will allow the Executive Director to submit a Disposition Application through the US Department of Housing and Urban Development ("HUD") Special Application Center to dispose of Public Housing program units located at Silverada Manor.

Background:

As previously discussed with the Board, the repositioning of Silverada Manor is based on use of a Rental Demonstration Program (RAD) blended conversion. Per HUD PIH Notice 2021-07, HUD allows expanded eligibility for projects to "blend" project-based voucher (PBV) assistance through a RAD conversion with assistance from tenant protection vouchers (TPVs) that are awarded through a Section 18 disposition approval. For Silverada Manor, based on the cost of the project, the property would qualify for a 40% RAD/60% Section 18 disposition blend. This means that, upon HUD approval, the rental assistance associated with the project would consist of 40% of the units receiving rental assistance through RAD at the applicable RAD rents and 60% of the units receiving rental

assistance through project-based TPVs at the applicable payment standard rent. Tenants would still pay no more than 30% of their income under both forms of rental assistance.

However, the higher payment standard rents enable Silverada Manor to support a larger bond issuance and permanent loan. This helps reduce the gap financing needed for the project and best utilize limited resources at RHA and within our State. Without the use of this blended approach, the repositioning of Silverada Manor, as currently scoped and estimated, is not financially feasible.

While this approach was always anticipated, the project has just reached the milestones needed to apply through the Special Application Center (SAC) for Section 18 approval. Public Housing sites are required to first receive their RAD Commitment to Enter a Housing Assistance Payments (CHAP) approval, complete additional public hearings, and have further financial information available before submitting to SAC. Board approval of this Resolution is required at this time to continue to move this renovation forward.

Staff Recommendation and Motion:

Staff recommends the Board of Commissioners moves to approve Resolution 24-02-02 and authorize the Executive Director to submit it, along with other required items, to HUD for Section 18 disposition approval at Silverada Manor.

HOUSING AUTHORITY OF THE CITY OF RENO
~~2023~~March 1, 2024

~~October 1,~~

ADMINISTRATIVE PLAN
 FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

Resolution ~~2324-0902-01~~ RH adopted ~~September 26~~February 27, 2023-2024 to be effective ~~October 1, 2023~~March 1, 2024

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ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

~~December 1, 2023~~ March 1,**1. OVERVIEW, OBJECTIVES AND PROGRAM DESCRIPTIONS**

[24 CFR Part 5]

1.1. OVERVIEW

The Section 8 Program was created by the Housing and Community Development Act of 1974. RHA administers the following Section 8 programs:

- Housing Choice Voucher
- Project Based Voucher
- Special Purpose Vouchers
 - Veterans Affairs Supportive Housing (VASH)
 - Emergency Housing Voucher (EHV)
 - Foster Youth Independence (FYI)
 - Mainstream
 - Tenant Protection Voucher (TPV)

Administration of these programs will be in compliance with the Department of Housing and Urban Development (HUD) regulations for each program, RHA policies, and the Equal Housing Opportunity Plan (EHOP). RHA will comply with all federal, state, and local housing laws and fair housing regulations.

1.2. OBJECTIVE

The objective of RHA is to provide fair, sustainable, quality housing to very-low and extremely-low income households who would otherwise be incapable of obtaining adequate housing. The number of households served is limited by the funding available through local, state and federal programs.

The voucher programs listed in Section 1.1 provide participating households with a greater choice of housing opportunities by subsidizing rent payments to private owners. Through these programs, RHA helps very-low and extremely-low income households obtain quality housing within Washoe County, the City of Reno, and the City of Sparks.

1.3. PROGRAM DESCRIPTIONS**1.3.1. Housing Choice Voucher (HCV)**

- 1.3.1.1. The unit is owned by a private owner and cannot already be federally subsidized.
- 1.3.1.2. The subsidy is provided directly to the landlord. The "Voucher" is the official documentation of eligibility to receive housing assistance.
- 1.3.1.3. Tenants locate their own housing. It can be a single family residence, apartment, condominium or mobile home. They are allowed great discretion in their selection subject to the rent reasonable test and inspections.
- 1.3.1.4. The tenant and owner/manager execute a lease agreement. The initial term of the lease is at least one year. After the first term, the owner/manager may determine the term of the lease. RHA and the owner/manager execute a Housing Assistance Payments (HAP) Contract. The HAP Contract and the Lease must contain the HUD-prescribed tenancy addendum. (These run concurrently.)
- 1.3.1.5. The tenant portion of the rent is calculated in accordance with HUD regulations and

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RHA adopted policy.

- 1.3.1.6. The tenant is required to have a regular re-examination of eligibility and regular Housing Quality Standards inspections of the unit.
- 1.3.1.7. The owner/manager receives a portion of the rent from the tenant and the remainder from RHA.
- 1.3.1.8. The owner/manager may evict for non-payment of rent, lease violations, or "for good cause" as specified in the Lease Agreement/Tenancy Addendum.
- 1.3.1.9. RHA cannot guarantee a HAP Contract to an owner/manager as tenants select units, but RHA does maintain current referral lists.
- 1.3.1.10. The security deposit is set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner/manager's unassisted units.
- 1.3.1.11. RHA receives an administrative fee from HUD based on number of units under contract/ lease on the first day of the month.

1.3.2. Project Based Voucher (PBV)

- 1.3.2.1. PBV's will be funded through the ACC for the voucher program and MTW funding sources.
- 1.3.2.2. The tenant portion of the rent is calculated in accordance with HUD regulations and RHA adopted policy.
- 1.3.2.3. The tenant is required to have a regular re-examination of eligibility and regular inspections of the unit.
- 1.3.2.4. The owner/manager receives a portion of the rent from the tenant and the remainder from RHA.
- 1.3.2.5. The owner/manager may evict for non-payment of rent, lease violations, or "for good cause" as specified in the Lease Agreement/Tenancy Addendum.
- 1.3.2.6. The initial term of the lease is for one year. Thereafter, the owner/manager may specify a term of his/her choice (i.e., month-to-month, six months, etc.) and may terminate the lease at the end of the term specified without cause.
- 1.3.2.7. The security deposit is set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner/manager's unassisted units.
- 1.3.2.8. PBV Programs:

1.3.2.8.1 Competitively Selected PBV Program - RHA will consider proposals from owners of units that were previously selected under a Federal, state, or local government housing assistance program provided that those proposals were selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date. Assistance is tied to the unit (project-based assistance) through a Housing Assistance Contract with private owners. A participant in the PBV competitive program has a right to move with continued assistance after one year of occupancy with some restrictions.

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- 1.3.2.8.2. Mobility Program - RHA purchased single family homes, apartments, condos and duplexes in low poverty areas and assigned PBV's to each unit. These units are offered to eligible Public Housing residents. Units are designated as non-smoking. Participants have a right to move with continued assistance after one year of occupancy with some restrictions.
- 1.3.2.8.3. Other RHA Owned Units - RHA assigned PBV's to dwelling units owned by the Authority in order to make them affordable. Units are designated as non-smoking. RHA utilized units in non-Public Housing multi-family and elderly complexes. Participants have a right to move with continued assistance after one year of occupancy with some restrictions.
- 1.3.2.8.4. Partnership program - RHA is partnering with local non-profit organizations to assist at risk individuals. Units will be designated as non-smoking. Participants will be required to meet all requirements of the referring agency and RHA eligibility requirements. Participants will have a right to move with continued assistance after one year of occupancy with some restrictions.
- 1.3.2.8.5. Privately Owned Project Based Units - Through a competitive process, RHA will award PBVs to property owners who seek award through the public Request for Proposal (RFP) process. The PBV will be designated to serve a specific population as detailed in the RFP. RHA will also partner with community agencies to provide referrals to these PBV and ongoing case management.
- 1.3.2.8.6. RAD Project Based Units – With HUD approval, RHA may convert Public Housing units through the Rental Assistance Demonstration program. Conversions of Public Housing funding to PBV assistance is allowed with special requirements set forth by HUD to be applicable only to RAD PBV units. See Section 8.

1.3.3. Veterans Affairs Supportive Housing (VASH) - RHA has partnered with the local Veteran's Administration (VA) office under the HUD-VASH program to house homeless veterans in the community. Eligible families are referred directly from the VA.

1.3.3.1. RHA will screen eligible families for sex offender status.

1.3.3.2. VASH participants must receive and comply with the case management requirements determined by the VA.

~~1.3.3.2.~~ 1.3.3.3. VASH participants will be subject to a minimum rent of \$0.

1.3.4. Emergency Housing Vouchers (EHV) – RHA has partnered with local community partners within the Continuum of Care to house homeless individuals and families in the community. Eligible families are referred directly from these community partners.

1.3.4.1. RHA will screen eligible families for admission.

1.3.4.2. EHV participants will work with community partner case managers to search for suitable housing and will receive ongoing case management determined necessary by the community partner agency.

1.3.4.3. Referred clients must meet one of the following eligibility criteria:

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1.3.4.3.1.Homeless

1.3.4.3.2.At risk of homelessness.

1.3.4.3.3.Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking.

1.3.4.3.4.Recently homeless or having high risk of housing instability.

1.3.4.4. Referred clients will be screened for lifetime registration as a sex offender and conviction of the production of methamphetamine on the premises of federally assisted housing.

1.3.4.5. Referred clients will be allowed to self-certify date of birth and social security number but must provide verification of each within 90 days and 180 days, respectively.

1.3.5.Foster Youth Independence Vouchers (FYI) – RHA has partnered with local community partners to house foster youth aging out of the foster care system. Eligible families are referred directly from these community partners.

1.3.5.1. RHA will screen eligible families for admission.

1.3.5.2. FYI participants will work with community partner case managers to search for suitable housing and will receive ongoing case management determined necessary by the community partner agency.

1.3.5.3. FYI vouchers may be utilized by a household for 36-months, with two possible 12-month extensions.

1.3.5.3.1.In order to be eligible for the two 12-month extensions, the household must participate in, and remain in compliance with, the Workforce Development program or meet one of the following exceptions.

1.3.5.3.1.1. Being a parent or other household member responsible for the care of a dependent child under the age of six or an incapacitated person.

1.3.5.3.1.2. Regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

1.3.5.3.1.3. Being unable to participate in the Workforce Development program due to a documented medical condition.

1.3.6.Mainstream Vouchers

1.3.6.1. Assist non-elderly persons with disabilities.

1.3.6.2. Administered using the same rules as Housing Choice Vouchers.

1.3.7.Tenant Protection Vouchers (TPV) – When a Multifamily, project-based Section 8 property opts out of their contract with HUD, assisted households are issued a TPV to protect them from hardship as a result of the property’s choice to opt out of their contract. These TPVs are then administered by RHA.

1.3.7.1. As long as the household continues to reside in the original unit, the TPV is “enhanced” to cover the difference between 30 percent of the household income and the PHA’s payment standard or gross rent, whichever is lower.

1.3.7.2. Once the family moves out of the original unit, the “enhancement” is removed and

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the TPV is administered using the same rules as Housing Choice Vouchers.

1.4. NONDISCRIMINATION AND REASONABLE ACCOMMODATIONS

1.4.1. Federal regulations prohibit discrimination because of race, color, sex, religion, familial status, age, disability or national origin.

1.4.1.1. If an applicant or participant believes that any family member has been discriminated against by RHA or an owner, the family should advise RHA. HUD requires RHA to provide the applicant or participant with information on how to file a discrimination complaint.

1.4.2. A person with a disability may require special accommodations in order to have equal access to the programs. If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, the family must explain what type of accommodation is needed to provide the person with the disability full access to the program. If the need for the accommodation is not readily apparent, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship between the accommodation and the disability.

1.4.2.1. The definition of disability for the purpose of reasonable accommodation is different than the definition used for admission. The Fair Housing definition used for this purpose is: "A person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment."

1.4.2.1.1. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; urinary; hemic and lymphatic skin; and endocrine.

1.4.2.1.2. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

1.4.2.1.3. "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, and learning.

1.4.2.2. RHA will provide the applicant or participant with the necessary forms to be completed with RHA staff. RHA staff will send the Reasonable Accommodation forms directly to a professional third party, of the applicant or participants choosing, who is competent to make the assessment and provide written verification that the individual needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program. The professional third party provider must return the completed Reasonable Accommodation forms directly to RHA for final review by the Director of Rental Assistance or designated staff. In the case where the professional third party provider fails to respond, a second request for verification may be made of a different provider of the applicant

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or participants choosing.

- 1.4.2.3. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible. The requested accommodation will not release applicant/participant from any ongoing family obligation under the program.
- 1.4.2.4. Upon approval of the Reasonable Accommodation, RHA may reverify the accommodation to determine if it is still essential and used as intended at future annual recertifications, i.e. medical room, live-in aide, etc.

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2. CONDITIONS GOVERNING ELIGIBILITY

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E & M]

The U.S. Department of Housing and Urban Development has established strict requirements for eligibility for assistance and the portion of tenant income to be paid toward rent. These requirements are intended to ensure that only qualified families receive assistance.

2.1. ELIGIBILITY FOR ADMISSION

To be eligible for admission to the voucher programs operated by RHA, applicants must meet the following criteria:

2.1.1. Qualify as a Family (see Appendix 1).

2.1.2. Fall within the following Income Limits (see Appendix 2):

2.1.2.1. A very low-income family.

2.1.2.2. A low-income family that has been “continuously assisted” under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the voucher program. [24 CFR 982.4]

2.1.2.3. A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.

2.1.2.4. A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.

2.1.2.4.2.1.2.5. A low-income family referred to participate in the HUD-VASH program.

2.1.3. Conform to the subsidy standards listed in section 2.3.

2.1.4. Citizenship Status: At least one household member must be a U.S. citizen or national or non-citizen with an eligible immigration status as defined in 24 CFR 5.508 (see Appendix 1, "Eligible Immigration Status"). Assistance will be prorated based on the number of eligible household members.

2.1.4.1. A declaration of status must be completed for each household member.

2.1.4.2. RHA will not provide assistance to any household prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the household.

2.1.5. Student Status: To qualify as an independent student the household must meet at least one of the following criteria.

2.1.5.1. Be at least 24 years old by 12/31 of the award year

2.1.5.2. Be an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when they were 13 years old or older

2.1.5.3. Be (or was immediately prior to turning 18) an emancipated minor or in legal guardianship as determined by a court

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- 2.1.5.4. Be a veteran or active duty military
- 2.1.5.5. Be a graduate or professional student
- 2.1.5.6. Be married
- 2.1.5.7. Have at least one dependent child
- 2.1.5.8. Have been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness, and self-supporting by a local educational agency homeless liaison; the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director; or of a program funded under subtitled B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
- 2.1.5.9. Be a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

2.1.6. May not be a non-immigrant student alien (see Appendix 1).

2.1.7. Must not currently owe money to any federally assisted housing program.

- 2.1.7.1. At time of initial application, the applicant must pay in full any outstanding debt prior to being placed on the waiting list.

2.1.8. Must not have committed fraud in connection with any federally assisted housing program.

2.1.9. Must not have violated any program requirements pertaining to 24 CFR 982.551 obligations of participant, 24 CFR 982.552 and 24 CFR 982.553 in any federally assisted housing program for a period of three years prior to the date the background check is initiated.

2.1.10. Must not have been evicted from any federally assisted housing programs within three years of the date of application.

2.1.11. Must not be abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents or have a pattern of such abuse.

2.1.12. RHA will perform criminal history background checks on all adult household members, including households porting into RHA's programs, to determine whether any household member is subject to a lifetime sex offender registration requirement and to determine eligibility based on criminal background. To be eligible for assistance all adult household members:

- 2.1.12.1. must not be subject to a lifetime registration requirement under any state or federal sex offender registration program.
- 2.1.12.2. must not ever have been convicted of manufacturing or producing methamphetamine while residing in federally assisted housing.
- 2.1.12.3. must not have engaged in drug related criminal activity or have a history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants within the ten years prior to initiation of a background check.

- 2.1.12.3.1. Any household member who has been found to be ineligible for engaging in drug related criminal activity or having a history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants may request a review by the

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Applicant Review Board (ARB).

- 2.1.12.3.2. Applicants requesting a review must have successfully completed any and all court ordered sentencing requirements by the date the criminal background check was initiated by RHA in order to be considered eligible for ARB review.
- 2.1.12.3.3. Final approval of the applicant will be determined by the ARB.
- 2.1.12.3.4. The ARB procedure is hereby incorporated by reference.
- 2.1.13. Must provide a Social Security number for all household members or will provide written certification that they do not have Social Security numbers.
- 2.1.14. Cash assets will be excluded when determining eligibility for elderly/disabled voucher households. All other applicant households must not have combined assets with a cash value of more than \$50,000.
- 2.1.15. All applicant households must not have ownership interest in a suitable dwelling unit which they have a legal right to reside in.

2.2. ELIGIBILITY FOR CONTINUED ASSISTANCE

To be eligible for continued assistance in the voucher programs operated by RHA, occupants must meet the following criteria:

- 2.2.1. Qualify as a Family, (See Appendix 1, Definition of Terms) or be the remaining member of a tenant household or, at the discretion of RHA, the member(s) of the household determined to receive continued assistance (see section 14).
- 2.2.2. Conform to the subsidy standards listed in section 2.3.
- 2.2.3. Must conform to Voucher program Family Obligations.
- 2.2.4. No individual is eligible to receive assistance under Section 8 of the 1937 Housing Act if they are a student that does not meet eligibility status as outlined in section 2.1.5.
- 2.2.5. Citizenship Status: At least one household member must be a U.S. citizen or national as defined in 24 CFR 5 Subpart E (see Appendix 1, "Eligible Immigration Status"). May not be a non-immigrant student alien (see Appendix 1).
- 2.2.6. If the amount payable by the household equals the gross rent for the unit occupied, the participant may remain on the program for 365 days with zero Housing Assistance Payments after which time the participant will be removed from the program and no longer be eligible for continued assistance unless, at any time during the 365 days, the household reports a change in circumstances whereby a Housing Assistance Payment would be paid prior to the expiration of the 365 day period. **Note:** No longer being eligible for Housing Assistance Payments will not affect the household's other rights under the lease nor will such termination preclude resumption of Housing Assistance Payments as a result of subsequent changes in the household income or gross rent or other relevant circumstances during the term of the contract.

2.3. SUBSIDY STANDARDS FOR VOUCHER TENANCY

Vouchers are to be issued in accordance with the subsidy standards set forth below. When it is found that the Voucher unit is no longer suitable for the household in accordance with these standards, the household may be issued a new Voucher in accordance with the following subsidy standard.

- 2.3.1. The subsidy standard used to determine what payment standard will be used in calculating the subsidy for a tenant household is two people per bedroom. The only exceptions to this will be the

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following:

- When there is medical justification verified through the Reasonable Accommodation process.
 - To avoid forcing an existing tenant to move from former HUD-assisted properties.
 - To prevent an adult from having to share a bedroom with a minor (defined as under 18 years of age) regardless of gender.
- 2.3.2. In establishing the appropriate subsidy standards, RHA will include as members of the household all persons anticipated to reside in the dwelling unit. Examples include: children expected to be born to pregnant women, children who are in the process of being adopted by an adult, or children whose custody is being obtained by an adult member of the household. In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered an eligible visitor and not a household member.
- 2.3.3. For households receiving Vouchers, the foregoing subsidy standards are solely for determining the bedroom size of the Voucher issued. A household receiving a Voucher may rent a larger dwelling unit provided they assume responsibility for that portion of the rent which exceeds the Voucher Payment Standard, the rent is determined to be reasonable and the Total Tenant Payment does not exceed 40 percent of monthly adjusted income. The utility schedule used to calculate tenant rent will be in accordance with the appropriate voucher size issued to the household or the size of the unit, whichever is lower.
- 2.3.3.1. For shared housing dwelling units, in accordance with HUD regulations, the Voucher Payment Standard amount used to determine tenant rent will be the lower of the payment standard amount on the Voucher Payment Standard schedule for the family unit size or the pro-rata portion of the payment standard amount on the Voucher Payment Standard schedule for the size of the shared housing unit. Also, the utility schedule used to calculate tenant rent will be the pro-rata portion of the utility allowance for the shared housing unit.
- 2.3.4. Foster children will be included in determining subsidy size only if they will be in the unit for more than six months.
- 2.3.5. Single person households shall be allocated a one-bedroom voucher.
- 2.3.6. RHA may only issue a larger voucher due to additions of household members upon receipt and approval of all required documentation.
- 2.3.7. Live-in Attendant. Voucher-holders / applicants approved for a live-in attendant are provided a 90-day period from the date of approval of the reasonable accommodation request to obtain and secure a live-in attendant before the process must begin again. After this time period, voucher-holders / applicants may be granted a 30-day extension if they can demonstrate they have taken steps necessary to secure and obtain a live-in attendant.
- 2.3.7.1. In the event the voucher-holder / applicant has secured a live-in attendant, but the Authority is waiting for verification of documents for eligibility of the live-in attendant, a second 30-day extension may be granted to the voucher-holder / applicant.
- 2.3.7.2. The subsidy size will not be increased until a specific person is approved as the live-in attendant. If the live-in attendant vacates the unit, the subsidy size will be reduced after a 30-day notice of rent increase. Failure by the family to timely report the move-out of a live-in attendant may result in a charge or balance owed for overpaid rental assistance to the family.

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2.3.7.3. If an applicant's Reasonable Accommodation is approved for an increased subsidy to allow for a live-in aide, the file will not be referred for a briefing with the increased subsidy until RHA Admissions Office has approved the live-in aide chosen by the applicant.

2.3.8. Medical Equipment. Voucher-holders / applicants approved for an increase in subsidy standard due to medical equipment will be subject to biennial inspection of the continued need for the increase in subsidy.

2.4. PAYMENT STANDARDS

The payment standard is used to calculate the Housing Assistance Payment for a household. In accordance with HUD regulation, and at RHA's discretion, the Voucher Payment Standard amount is set by RHA between 90 percent and 110 percent of the HUD published Fair Market Rent (FMR). This is considered the basic range. RHA reviews the appropriateness of the payment standard annually when the FMR is published. In determining whether a change is needed, RHA will ensure that the payment standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD. RHA may adopt Exception Payment Standards at the zip code level based on Small Area Fair Market Rents (SAFMRs), setting the Exception Payment Standard between 90 percent and 110 percent of the HUD published SAFMR. SAFMR-based Exception Payment Standards do not require HUD approval.

2.4.1. RHA will establish a Basic Voucher Payment Standard for each unit size, which covers the entire jurisdiction not identified as an Exception Payment Standard. RHA may have a higher payment standard within RHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90 to 110 percent of FMR range. RHA may also approve a higher payment standard within the basic range, if required as a reasonable accommodation for a household that includes a person with disabilities.

2.4.2. Adjustments to Payment Standards. Payment standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep households' rents affordable. RHA will not raise payment standards solely to make "high end" units available to Voucher holders. The financial impact on the program if an increase is adopted must be determined before a recommendation is made to the Board of Commissioners for approval.

2.4.2.1. Quality of Units Selected. RHA will review the quality of units selected by participant households when making the determination of the percent of income households are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

2.4.2.2. Time to Locate Housing. RHA may consider the average time period for households to lease up under the Voucher program. If more than 40 percent of Voucher holders are unable to locate suitable housing within the term of the Voucher, and RHA determines that this is due to rents in the jurisdiction being unaffordable for households even with the presence of a Voucher, the payment standard may be adjusted.

2.4.2.3. Lowering of the Payment Standard. Insufficient funding or lowering of the FMR may require a lowering of the payment standard. Additionally, statistical analysis may reveal that the payment standard should be lowered. In any case, the payment standard will not be set below 90 percent of the FMR without authorization from HUD.

2.4.2.4. Financial Feasibility. Before increasing the payment standard, RHA may review the budget to determine the impact projected subsidy increases would have on

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funding available for the program and number of households served.

2.4.3. Implementation of a decreased payment standard will take effect at the family’s second annual reexamination.

2.4.4. Implementation of an increased payment standard will take effect at the family’s next annual reexamination.

2.4.4.1. If the family qualifies for triennial recertification (see section 13.2), the increased payment standard will take effect at the processing of an approved Contract Rent Increase.

2.5. ELIGIBLE TYPES OF VOUCHER HOUSING

RHA will approve any of the following types of housing in the voucher program:

2.5.1. All structure types can be utilized.

2.5.2. Manufactured homes where the tenant leases the mobile home and the pad.

2.5.3. Manufactured homes where the tenant owns the mobile home and leases the pad.

2.5.4. Single room occupancy-: Private living and sleeping space for one occupant, with shared sanitary and food preparation facilities.

2.5.4.1. Requires a separate lease and HAP Contract for each assisted person.

2.5.4.2. The Payment Standard is 75% of the 0-bedroom payment standard listed on our schedule.

2.5.4.3. The Utility Allowance is 75% of the 0-bedroom utility allowance.

2.5.4.2, 2.5.4.4. May be project-based.

2.5.5. Shared Congregate housing: -Housing for elderly persons or persons with disability which includes food service, a shared kitchen/dining area, and a private living area.

2.5.5.1. RHA restricts shared housing types to units contracted with pre-approved agencies that provide residents with ongoing supportive services that promote self-sufficiency.

2.5.5.1. RHA limits the total number of families to be assisted in a shared housing dwelling unit to two. Requires a separate lease and HAP Contract for each assisted family.

2.5.5.2. The Payment Standard is the number of rooms on the voucher minus one. For example, if the family has a 1-bedroom voucher, the 0-bedroom payment standard would be used.

2.5.5.2, 2.5.5.3. May be project-based.

2.5.6. Shared housing: A single unit occupied by the assisted family and another resident or residents, including private space for each family and common spaces. The owner of the unit may occupy a shared housing unit, but no assistance can be paid on their behalf and they are still prohibited from renting to a family member.

2.5.6.1. Requires a separate lease and HAP Contract for each assisted household.

2.5.6.2. The rent to owner for the household may not exceed the pro-rata portion of the reasonable rent for the entire unit.

2.5.6.2.1. Pro-rata portion means the ratio derived by dividing the number of bedrooms in the private space available for the family by

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the total number of bedrooms in the unit. For example, for a family entitled to occupy 3 bedrooms in a 5-bedroom unit, the ratio would be 3/5.

2.5.6.3. The Payment Standard is the lower of:

2.5.6.3.1. The Payment Standard amount on the payment standard schedule for the family unit size; or

2.5.6.3.2. The pro-rata portion of the payment standard amount on the payment standard schedule for the size of the unit.

2.5.6.4. The Utility Allowance is the pro-rata portion of the utility allowance for the unit.

2.5.7. Group Home: A state-licensed facility for elderly persons and/or persons with disabilities with a bedroom and communal living, dining, and bathroom spaces. Persons residing in a group home must not require continual medical or nursing care.

2.5.7.1. Requires a separate lease and HAP Contract for each assisted household.

2.5.7.2. The rent to owner for a household may not exceed the pro-rata portion of the reasonable rent for the group home.

2.5.7.2.1. Pro-rata portion means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home.

2.5.7.3. Family unit size.

2.5.7.3.1. Unless there is a live-in aide, the family unit size is 0 or 1 bedroom.

2.5.7.3.2. If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

2.5.7.4. The Payment Standard is the lower of:

2.5.7.4.1. The payment standard amount on the payment standard schedule for the family unit size; or

2.5.7.4.2. The pro-rata portion of the payment standard amount on the payment standard schedule for the group home size.

2.5.7.5. The Utility Allowance for each assisted person residing in the group home is the pro-rata portion of the utility allowance for the group home unit size.

~~2.5.6.2.5.8.~~ Units owned (but not subsidized) by RHA (following HUD-prescribed requirements).

~~2.5.7.2.5.9.~~ RHA may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

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3. PROGRAM WAIT LIST AND TENANT SELECTION CRITERIA

[24 CFR 982.207]

This chapter describes policies for managing waiting lists for all RHA programs and properties and the tenant selection process. Placement on a waiting list does not indicate that a family is eligible for assistance. Final determination will be made when the applicant is selected from the wait list.

3.1. OPENING AND CLOSING THE WAITING LISTS

- 3.1.1. RHA, at its discretion, may open, restrict application intake, suspend application intake, and close waiting lists in whole or part.
- 3.1.2. The decision to close the waiting list(s) will be based on achievement of a waiting list adequate to cover projected turnover and new allocations of voucher/units over an estimated 18-month period.
- 3.1.3. RHA will adhere to all HUD and fair housing guidelines and regulations when announcing the opening of waitlists.
- 3.1.4. When the waiting list is open, any household asking to be placed on the waiting list will be given the opportunity to complete an application. Eligibility for assistance will be determined when an applicant is selected from the waiting list.

3.2. SITE BASED WAITING LISTS

RHA offers site-based waiting lists for all Public Housing and other affordable housing locations. Applicants may apply, when waiting lists are open, to the site-based waiting list for the communities they wish to reside in. Some sites may have site specific preferences, as applicable and determined by RHA with HUD approval.

- 3.2.1. The Applicant's household composition and characteristics must meet subsidy/occupancy standards and any site-specific preferences to qualify for the bedroom size and site-based waiting lists they wish to apply for.
- 3.2.2. Every reasonable action will be taken to assure that applicants have access to make informed choices regarding the sites in which they wish to reside. RHA will provide information regarding location of RHA sites, occupancy standards, number of accessible units, amenities, school zoning and transportation resources.
 - 3.2.2.1. The above information will be available on RHA's website, in person at RHA's main office, or over the phone.
- 3.2.3. Applicants who applied for multiple bedroom sizes in Public Housing prior to RHA moving to a site-based wait list, will be placed on each of the site-based wait lists for the complexes offering the same bedroom sizes as their initial application. The date and time of the initial application will be honored. Applicants will be informed of their placement on the new site-based wait list via USPS mail and e-mail, if one is currently on file. Applicants will be provided with the opportunity to review and update their applications.
- 3.2.4. When applicants apply for RHA's site based Public Housing or Project Based Assistance Programs, RHA will inform applicants if the Housing Choice Voucher (HCV) wait list is open and will offer to add the applicant to RHA's HCV wait list.
- 3.2.5. When applicants apply for RHA's Housing Choice Voucher (HCV) program, RHA will inform applicants if the site based Public Housing or Project Based Assistance wait list are open and will offer to add the applicant to one or both of those wait lists as long as the household meets the income and occupancy guidelines.
- 3.2.6. RHA will maintain separate waiting lists for all other housing programs it operates. When there

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are insufficient applicants on a site-based waiting list, RHA must follow the criteria for re-opening the site-based waiting list.

3.3. MONITORING SITE BASED WAITING LISTS

3.3.1. The site-based waiting lists will be periodically monitored by RHA's Admissions Department to assure that civil rights and fair housing are affirmatively furthered.

3.3.2. RHA will, at least every three years, use independent testers or other means satisfactory to HUD to assure that the site-based waiting list is not being implemented in a discriminatory manner, and that no patterns or practices of discrimination exist. If any indications of unintended discrimination are found, the RHA will take immediate steps to remedy the situation. RHA will provide results of any such test or review to HUD. RHA will assess changes in racial, ethnic, or disability-related resident composition at each site that has occurred during the implementation of the site-based waiting lists.

3.4. INCOME TARGETING FOR VOUCHER ASSISTANCE

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families (see Appendix 1 for definition). HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

3.4.1. RHA's income targeting requirement does not apply to low-income households continuously assisted as provided for under the 1937 Housing Act.

3.4.2. RHA is also exempted from this requirement where RHA is providing assistance to low-income or moderate-income households entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

3.4.3. If the household's verified annual income, at final eligibility determination, does not fall under the Extremely Low-Income limit and the household was selected for income targeting purposes before a family with a higher preference, the household will be returned to the waiting list.

3.5. FAILURE TO RESPOND AND WAITING LIST PURGING

RHA waitlists will be reviewed periodically, as needed, to ensure a viable list of applicants exists. RHA will mail and e-mail a request for confirmation of continued interest to each household on all waitlists. Applicants desiring to remain on the waitlist on which they currently reside must respond to this request to maintain their place on RHA waitlists.

3.5.1. If an applicant fails to respond within 14 days they will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

3.5.2. If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply within the proscribed period.

3.5.3. RHA allows a grace period of 14 days after completion of the purge. Applicants who respond during this grace period will be reinstated.

3.6. TENANT SELECTION

3.6.1. Tenants will be selected on the basis of preferences and targeting requirements from among eligible households of the size and composition appropriate to available vouchers or units.

3.6.2. In the event of two or more eligible applicants for the same unit with identical preference status, the date and time sequence of applications will govern selection with the applicant who files

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earliest being offered the first available voucher of appropriate size.

3.6.3. Project Based Voucher waitlists may have site specific preferences.

3.6.4. In the event that an applicant is selected for interview from separate waitlists, the applicant will be required to select the waitlist they would like to be interviewed for and proceed with the interview process. The applicant will be removed from the alternate waitlist that was not chosen by the applicant.

3.7. ORDER OF PREFERENCE

Local preferences are permitted by HUD to give priority to households that meet specified criteria. Preferences are used, in conjunction with date and time of application, to determine placement on the waiting list. Preferences must apply at time of eligibility determination. Applicants selected from the waitlist based on a preference that cannot be verified at time of eligibility determination will be returned to the waitlist based on the date and time of their application without application of the preference.

- 3.7.1. Involuntary Displacement due to PHA action or program regulation including, but not limited to repositioning of Public Housing and associated relocation, PBV under and over housed households, PBV and VASH transitions to standard HCV. – 150 Points
- 3.7.2. Residency: priority will be given to applicants who: - 50 Points
 - 3.7.2.1. Currently reside in Washoe County, or
 - 3.7.2.2. Currently work or have recently been hired to work at a job located in Washoe County, or
 - 3.7.2.3. Have graduated from or are currently enrolled in an education or training program that is located in Washoe County and is designed to prepare them for the job market (within the last six months).
- 3.7.3. One-person elderly or disabled household will be given a preference over single person applicants. Households with more than one person also receive preference, including applicants with unborn children. –60 Points
- 3.7.4. Lease in Place: Applicants who currently live in Washoe County and whose landlords are willing to accept the Housing Choice Voucher and provide verification, will be given preference. – 50 Points
- 3.7.5. Homeless – 40 Points
 - 3.7.5.1. An individual or family who, at the time of selection for interview, lacks a fixed, regular, and adequate nighttime residence, meaning:
 - 3.7.5.1.1. Has a primary nighttime residence that is a public or private place not meant for human habitation; OR
 - 3.7.5.1.2. Is living in a temporary shelter (including congregate shelters, transitional housing, and hotels and motels *paid for by charitable organizations or government programs*); OR
 - 3.7.5.1.3. Is exiting an institution where they have resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
 - 3.7.5.2. Any individual or family who:
 - 3.7.5.2.1. Is experiencing a lack of housing related to: fleeing or attempting to flee domestic violence; AND

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3.7.5.2.2. Has no other residence; AND

3.7.5.2.3. Lacks the resources or support to obtain other permanent housing.

3.7.5.3. Verification of Homeless Preference: In order to receive the Homeless preference under 3.7.6.1., applicants must provide:

3.7.5.3.1. A written observation by an outreach worker; OR

3.7.5.3.2. A written referral by another housing or service provider; OR

3.7.5.3.3. Certification by the individual or head of household seeking assistance stating that they were living on the streets or in a shelter;

3.7.5.3.4. For individuals exiting an institution – one of the forms of evidence above AND:

3.7.5.3.4.1. Discharge paperwork or written/oral referral; OR

3.7.5.3.4.2. A written record of intake worker's due diligence to obtain above evidence and certification by the individual that they exited an institution.

3.7.5.4. Verification of Homeless Preference: In order to receive the Homeless preference under 3.7.6.2., applicants must provide:

3.7.5.4.1. An oral statement by the individual or head of household seeking assistance that they are fleeing domestic violence. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; AND

3.7.5.4.2. Certification by the individual or head of household that no subsequent residence has been identified; AND

3.7.5.4.3. Self-Certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

3.7.6. Graduate of Permanent Supportive Housing: Applicants who provide documentation showing successful completion of a Permanent Supportive Housing Program in Washoe County within the last 6 months will be given preference. – 20 Points

3.7.7. Veterans Status: Applicants who qualify for this preference must provide verification such as a DD214, VA patient card, or statement from the VA showing that their discharge was anything other than dishonorable. – 20 Points

3.7.8. Site specific preferences may apply and will be clearly defined at time of application.

3.8. VERIFICATION OF PREFERENCE QUALIFICATION

3.8.1. Preferences will be verified and applied after receipt of the application to determine to the greatest degree possible appropriate placement on the waitlist. Applicants will be asked to provide documentation to support any preferences claimed. Preferences will not be applied if supporting documentation cannot be provided. If a preference does not apply at the time of the applicant interview or cannot be verified, said applicant will be returned to their proper place on the waiting list and preference removed.

3.8.2. The qualification for preference must exist at the time the applicant is determined eligible, regardless of the length of time an applicant has been on the waiting list

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- 3.8.3. If RHA denies a preference, RHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity to request an informal meeting. The applicant will have fourteen (14) days to request the meeting, either in writing or by phone. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.
- 3.8.4. Change in Circumstances. Changes in an applicant's circumstances while on the waiting list may affect the household's entitlement to a preference. Applicants are required to notify the RHA electronically or in writing when their circumstances change. When an applicant claims an additional preference, they will be placed on the waiting list in the proper order of their newly claimed preference.
- 3.8.5. If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list and notified.

3.9. TRANSITIONS BETWEEN SUBSIDIZED HOUSING PROGRAMS

- 3.9.1. At the family's first eligibility appointment, when it is determined that the applicant is participating in another subsidized housing program, staff will advise the family the PHA will terminate the application process if the applicant is not in good standing.
- 3.9.2. Staff will continue to communicate with subsidized housing staff as the family proceeds through the eligibility process so that only families in good standing are allowed admission to the HCV program. The move will be coordinated between the staff of both programs so that the family is not a participant of both programs at the same time.
- 3.9.3. The HCV contract will not begin until the conventional housing lease has been terminated and its termination confirmed.
- 3.9.4. RHA will ask the family to sign an affidavit stating that the family understands that they cannot be a party to two different subsidized units at the same time and that they must relinquish their current unit and leave in good standing in order to participate in the new program. Failure of the family to sign the affidavit will result in the family being ineligible for the HCV program.

3.10. NO DISCRIMINATION BECAUSE OF RACE, CREED, COLOR, RELIGION, SEX, AGE, HANDICAP, NATIONAL ORIGIN OR FAMILIAL STATUS

- 3.10.1. The foregoing preferences and targeting requirements will be followed without regard to race, creed, color, religion, sex, age, handicap, national origin or familial status.

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~~December 1, 2023~~ March 1,**4. RECEIPT OF APPLICATIONS AND DETERMINATION OF ELIGIBILITY**

[24 CFR Part 5, Subparts B, D, E & F; 982.204; 982.158]

This section sets forth the basic steps which are to be taken in obtaining and verifying information from applicant households for the purpose of (1) determining whether they meet the conditions of eligibility for admission set forth in Section 2; (2) applying the tenant selection criteria contained in Section 3; (3) determining the rent to be charged in accordance with federal regulations; and (4) determining the size of dwelling required in accordance with paragraph 2.3.

4.1. ESTABLISHING AN APPLICANT POOL

- 4.1.1. All applications for housing assistance must be submitted through RHA's online applicant portal. Applicants needing assistance in completing an application are encouraged to contact RHA's Admissions Office.
- 4.1.2. Initial applications are to be accepted from all households who are seeking admission to voucher and public housing programs during open waitlist period. Open waitlist period(s) will be determined by the Executive Director or their designee in compliance with HUD guidelines. Prior to resumption and/or cessation of an open waitlist period(s), public notification will appear in a newspaper of general circulation indicating the date(s), location, and/or number and/or type of applications being accepted.
- 4.1.3. After receipt of the initial application, Admissions staff will review the household composition and characteristics of applicant households, as defined in Section 2 of this plan. Applicants will be placed on the waitlist that best matches the bedroom size for the number of members listed on the application. The qualifying bedroom size must be open at time of application to be placed on the list.
- 4.1.4. Upon completion of the verification process, a verified application pool will be maintained indicating name, date, time and preferences.

4.2. PROCEDURE GOVERNING RECEIPT OF APPLICATIONS

- 4.2.1. The application constitutes the basic record of each household applying for admission. Each applicant, therefore, will be required to supply information as called for on the Application and in this plan. Electronic submission of an application and/or signature on a paper application for Admission constitutes certification of the accuracy of the information provided. Each application will reflect the date and time received. The application and all other materials relating to the household's eligibility are to be maintained in a file for each active applicant.
- 4.2.2. A written request to complete an intake certification will be e-mailed and mailed via USPS to applicants who have come to the top of the wait list. Applicants must complete the intake certification by the due date to be considered for interview. Admissions staff will review the certification intake to determine eligibility for interview.
 - 4.2.2.1. If the household is determined eligible for interview based on household size and bedroom size of the waitlist they have been selected from, a written notification stating their interview date and time along with the required documentation to be submitted at the time of the interview will be mailed and e-mailed.
 - 4.2.2.2. Applicants who do not respond to the intake certification request will be withdrawn from all waitlists.
 - 4.2.2.3. If the household is determined ineligible for interview based on household size and bedroom size of the waitlist they have been elected from, the applicant will be placed on the appropriate bedroom size waitlist provided the waitlist was open at

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time of original application. If the appropriate bedroom size waitlist was not open at time of original application, the application will be withdrawn.

4.2.3. Interviews may be conducted over the phone or in person. The required documentation includes:

4.2.3.1. Proof of Identity. In order to prevent program abuse, RHA will require applicants to furnish verification of legal identity for all household members. There are two separate proofs of identity required for each member of the household, each of which is detailed below:

- Applicants must provide picture identification. A current Department of Motor Vehicle-issued driver's license or identification card, or other state or federally issued picture identification card for all adult members of the household.
- Applicant must also provide the original Social Security card, an original document issued by a federal or state government agency which contains the name of the individual and the social security number of the individual along with other identifying information of the individual, or other documentation as specified in HUD guidance for every member of the household including live-in aides and foster children. No copies of the card or other forms listing the Social Security number are acceptable. If a household member has never been issued a social security number, an original birth certificate or other qualifying document to prove identity will be required. Qualifying documents must contain identifying information including name, date of birth, and country of birth. If a required document cannot be submitted because it has been ordered but not yet received, the receipt verifying that the document has been ordered must be submitted or the interview may be cancelled. Names on all forms of documentation must match each other to an extent that proves the individual is who they claim to be.
- For all minors on the application, ONE of the following must be provided:
 - An *original* government-issued birth certificate or CERTIFIED copy
 - OR an *original* confirmation of birth
 - OR an *original* Social Security birth information printout
 - OR a current or recently expired passport (within the last six months from interview date) OR a valid Certificate of Naturalization
 - OR a valid Permanent Resident Alien Card

4.2.3.2. Applicants will also be required to provide the following documents prior to the application being processed for verification.

4.2.3.2.1 *Income*. Proof of applicant income is needed. Examples include, but are not limited to:

- Current paycheck stubs
- Current award letter(s) from Social Security Administration
- Current award letter(s) showing pension or retirement amount

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- Current award letter(s) showing unemployment benefits
- Current award letter(s) showing welfare cash assistance
- Current verification of child support

4.2.3.2.2. *Assets.* Families will be allowed to self-declare assets with a combined value less than \$10,000, including the amount of income expected to be received from those assets. If assets exceed \$10,000, the applicant must bring the following verification:

- Three consecutive months of bank statements for all checking accounts including current statement
- Three consecutive months of bank statements for all savings accounts including current statement
- Certificates of deposit documentation
- Stock or bonds documentation
- Real estate or property documentation

4.2.3.2.3. *Child Care Expenses.* If applicant is employed, seeking employment or attending school, they may declare their childcare expenses for children 12 and under. Applicants may not declare expenses paid on their behalf or expenses that they receive reimbursement for. To claim childcare expenses, the applicant must provide documentation showing the name and address of the person/company caring for the child. Childcare expenses cannot exceed the value of earned income.

4.2.3.2.4. *Medical Expenses.* All elderly/disabled households that self-certify they incur out of pocket medical expenses will receive a simplified medical deduction (Appendix 8) based on the household's total gross annual income. In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship. RHA will establish a three-person committee to review all requests for hardship. The committee will follow the agency's Medical Hardship Procedure when determining eligibility for exemption from the simplified medical deduction.

4.2.3.2.5. *Proof of Pregnancy.* A letter from a doctor or the health department verifying an applicant's pregnancy.

4.2.3.2.6. Applicant must also provide verification of student status for any member of the household who is enrolled in an institution of higher education i.e. university, community college, trade school, etc.

4.2.4. Applicant Interview. Applicants must participate in a full application interview with an RHA representative. The applicant will be required to furnish complete and accurate information to the interviewer. RHA's interviewer will review the application with answers supplied by the applicant. All adult members listed on the application must sign the RHA General Release of Information Form, the declarations and consents related to citizenship/immigration status, and any other documents required by RHA during the eligibility determination process. Failure to do so may be cause for denial of the application for failure to provide necessary certifications and release as required by RHA. All adults listed on the application must also sign a consent form to

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authorize a criminal background check. RHA will review the results in accordance with HUD regulations and RHA policies

- 4.2.5. If RHA determines at or after the interview that additional information or document(s) are needed, RHA will request the document(s) or information in writing. The household will be given 14 days to supply the information. If the information is not supplied in this time period, RHA will provide the household a notification of denial for assistance.
- 4.2.6. All adult household members must make themselves available for the interview. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.
- 4.2.7. If an applicant fails to make themselves available for the scheduled interview and does not request a second interview, RHA will deny the application. If, however, the applicant responds to the denial letter within 14 days, RHA will automatically schedule a second interview for the applicant. If the applicant fails to attend the second interview, the application will be denied, and the applicant will be denied the right to any further scheduled interviews and must reapply when the wait list is open.
- 4.2.8. Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.
- 4.2.9. RHA will check criminal history for all adults listed on the application to determine whether any member of the household has violated any of the prohibited actions covered by this Administrative plan.
- 4.2.10. If, during the application interview, it appears that the applicant is definitely not eligible, the applicant is to be informed in writing as to the reasons for ineligibility and the right to an informal hearing. The application will then be classified as ineligible. A copy of the withdrawal letter will be attached to the application.
- 4.2.11. After receipt of initial application, changes affecting applicant information will be recorded and appropriate recalculations completed. Such changes are to be dated and the reason and authority for such changes noted in the record.

4.3. VERIFICATION AND DOCUMENTATION OF APPLICANT/PARTICIPANT DATA

To ensure that the data upon which determinations of eligibility, priority status, rent to be paid and size of dwelling required are to be based is full, true and complete, the information submitted by each applicant/participant is to be verified.

- 4.3.1. **Methods of Verification.** RHA will verify information through the methods of verification acceptable to HUD in the following order of preference, allowing 14 days for return of verifications before going to the next method.
- 4.3.1.1. *Upfront Income Verification* using HUD's Enterprise Income Verification system.
- 4.3.1.2. *Upfront Income Verification using non-HUD system* - This includes information obtained through computer matching such as from the Work Number.
- 4.3.1.3. *Written Third Party Verification* - An original or authentic document generated by a third party source dated within the -120 days period preceding the reexamination or RHA request date. All documents, excluding government checks, will be photocopied and retained in the applicant/participant file. In cases where documents are viewed which cannot be photocopied, staff viewing the documents will complete a certification statement for the file. RHA will accept faxed

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documents. RHA will accept verifications in the form of computerized printouts delivered by the household from the following agencies: Social Security Administration, Veterans Administration, Welfare Assistance, Unemployment Compensation Agency, city or county courts, pharmacies, hospitals and banks.

4.3.1.3.1 RHA will reject a document for the following reasons:

- The original document has been altered, mutilated, or is not legible
- The document does not appear to be authentic

4.3.1.3.2 If a document is rejected, staff will get concurrence from the Director of Rental Assistance, Deputy Executive Director, Executive Director, or designated staff. The document will be notated with the reason why it was rejected and it will be placed in the applicant/participant's file.

4.3.1.4. *Written Third-Party Verification Form*– Written Third-party verification form is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail, fax, online, telephone, or a combination of methods. Verifications received electronically directly from the source are considered third-party written verifications.

4.3.1.5. *Third-Party Oral* – Oral third-party verifications may be used when written third-party is not possible. When third-party oral verification is used, staff will be required to originate the call, complete a form, noting with whom they spoke, the date of the conversation, and the facts provided. Third-party oral may be used to clarify information provided on the third-party written.

4.3.1.6. *Certification/Self-Declaration* – When verification cannot be made by the above verification methods, households will be required to submit a self-certification.

4.3.1.6.1 For cases involving self-employment, clients will be required to provide sales and expense receipts for their business. All information must be completed on a Self-Employment Worksheet and all documentation showing gross income and any deductions claimed must be attached to the Self-Employment Worksheet.

4.3.2. Documentation Required. Complete and accurate verification records consisting of, but not limited to the following are to be received at the applicant/participant interview and maintained thereafter:

4.3.2.1. All income not specifically excluded by the regulations, including but not limited to:

- Employment Income
- Social Security, Pensions, Supplementary Security Income (SSI), Disability Income
- Unemployment Compensation
- Welfare Payments
- Alimony or Child Support Payments
- Net Income from a Business
 - Self-employed clients must submit their Self-Employment Worksheets and all required receipts no later than the 10th day of the following month. Staff will review the receipts and check the calculations on the worksheets.

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- Income from Assets
 - Savings Account Interest Income and Dividends
 - Interest Income from Mortgages or Similar Arrangements
 - Net Rental Income from Property Owned by household

4.3.2.2. Student Status

4.3.2.2.1. All individuals enrolled at an institution of higher learning.

4.3.2.2.2. Full-time student status for all High School students who are 18 or over.

4.3.2.2.3. Verification of student status includes written verification from the registrar's office or other school official.

4.3.2.3. Current assets (Asset Certification for assets less than \$10,000) including assets disposed of for less than Fair Market Value in preceding two years.

4.3.2.3.1. If the household certifies that they have disposed of assets for less than Fair Market Value (FMV), certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the household received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

4.3.2.4. Childcare expense: Verifications must specify the childcare provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

4.3.2.5. Allowable medical expenses: All elderly/disabled households will receive a simplified medical deduction based on the household's total gross annual income. In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship exemption in writing, after being determined eligible for housing assistance and attending a briefing session.

4.3.2.5.1. If a Medical Hardship Exemption is granted, all expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the household and regular payments due on the medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the household.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the household over the next twelve months. A computer printout or information obtained through government databases such as EIV will be accepted.
- Prescription expenses as verified on pharmacy printouts from the last 12 months provided by the client.

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- 4.3.2.6. Proof of disability for determination of preferences, allowances or deductions.
- 4.3.2.6.1. Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist or licensed social worker, using the HUD language as the verification format.
- 4.3.2.7. Legal Identity
- 4.3.2.8. Permanent Absence of Household Member
- 4.3.2.9. Change in Household Composition
- 4.3.2.9.1. RHA may verify changes in household composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, school or DMV records and other sources.
- 4.3.2.10. "Preference" status: Any preferences being claimed must be verified/documented. If a claimed preference cannot be documented/verified, the preference will be removed from the application and RHA will redetermine the applicant's waitlist position.
- 4.3.2.11. Familial/marital status when needed for head or spouse definition.
- 4.3.2.12. Verification of Reduction of Benefits for Noncompliance. RHA will obtain written verification from the welfare agency stating that the household's benefits have been reduced for fraud or noncompliance *before* denying the household's request for rent reduction.

4.4. SUMMARY OF VERIFICATION DATA

- 4.4.1. Verification data is to be reviewed and evaluated as received for completeness, accuracy and conclusiveness. Where the information received is not complete in all respects, follow-ups or new efforts to obtain such information are to be made and carried through to conclusion. If, during the verification process, it becomes evident that for one or more reasons an applicant is ineligible, the investigation is to be discontinued and the applicant notified in writing of his/her ineligibility, the reasons therefore and the right to an informal hearing.
- 4.4.2. As verification of all necessary items for each application is completed, a summary of the verified information is to be prepared on a Certification Form attached to the application. The summary is to cover the following determinations and the basis for such:
- 4.4.2.1. Eligibility of the applicant as a family
- 4.4.2.2. Eligibility of the family with respect to income limits for admission
- 4.4.2.3. Eligibility as a U.S. citizen or national or eligible immigration status
- 4.4.2.4. Size of unit to which the family should be assigned
- 4.4.2.5. Preference and priority status, if any, of the family
- 4.4.2.6. Violations of any other eligibility criteria.

4.5. NOTIFICATION TO APPLICANTS

- 4.5.1. If determined to be ineligible for admission, the applicant is to be informed in writing of the

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determination and of their right, upon their request within five working days after the determination is made, to an informal hearing in order to make such a reply or explanation as they may wish. The reasons for the determination will be included in the written notification.

4.5.2. Applicants are required to inform RHA of changes in address. Applicants are also required to respond to requests from RHA to update information on their application and to determine their continued interest in assistance.

4.5.3. In the event it becomes necessary to defer eligibility determinations, the applicant will be informed of this fact and the reason therefore. Until a final determination is made, an applicant will be notified of the status of their application upon their request.

4.6. RECHECKING AND VERIFYING FINDINGS PRIOR TO ISSUANCE OF VOUCHER

If there is a delay after the file has been referred to the Rental Assistance Office that would cause the applicant to not be issued a voucher within 120 days of the oldest verification, the file will be sent back to Admissions while staff re-verifies the information. If changes are reported late, the file will be referred to the Admissions Office to obtain written verification and to determine their effect on eligibility, rent, and unit size. Late is defined as more than ten days after the change.

4.7. CERTIFICATION

As a part of the application record of each household determined to be eligible for admission, a designated staff member is to complete and sign the eligibility certification.

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~~December 1, 2023~~ March 1,**5. FACTORS RELATED TO TOTAL TENANT PAYMENT (TTP) DETERMINATION**

[24 CFR Part 5, Subparts E and F; 982.153, 982.551]

The accurate calculation of annual income and adjusted income will ensure that households are not paying more or less money for rent than their obligation under the regulations. This section defines annual income and the allowable deductions from annual income.

5.1. FORMULAS FOR CALCULATIONS OF TTP

Income and TTP are calculated in accordance with 24 CFR Part 5, subparts E and F, and further instructions set forth in HUD Notices, Memoranda, and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation.

In the HCV program the "minimum household contribution" must be the greater of:

- 30 percent of the adjusted monthly income,
- 10 percent of the monthly income, or
- the minimum rent of \$100 as set by RHA.

5.2. ANNUAL INCOME

Annual Income includes income from all sources received by the head of the household, co-head and spouse (even if temporarily absent) and by each additional member of the household, including all net income derived from assets for the 12-month period following the effective date of certification of income and exclusive of certain types of income noted in this section under "Annual Income Exclusions." RHA will use future anticipated income based on tenant supplied documentation or third-party verification, unless income is determined to be seasonal or irregular (see section 5.5). RHA must calculate all applicable income of every household member who is on the application/lease, including those who are temporarily absent.

Annual income includes, but is not limited to:

- 5.2.1. The full amount, before any payroll deduction, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
 - 5.2.1.1. For commissions or bonuses if the employer does not disclose the anticipated amount, the previous year's amount will be used.
- 5.2.2. \$480 of earnings of full-time students over 18 years of age, other than head of household, co-head, or spouse.
- 5.2.3. The portion of money from Federal work-study programs paid by the employer.
- 5.2.4. The net income from operation of a business or profession (including self-employment)
 - 5.2.4.1. Net income equals gross income less expenses.
 - 5.2.4.1.1. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations.
 - 5.2.4.1.2. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation

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by the household.

5.2.4.1.3. RHA requires business gross sales and expense receipts in order to determine the net income of the operation. For gas expenses related to the operation of a vehicle, RHA will use the odometer readings provided by the household and apply the most current IRS Mileage Rate. This rate takes into consideration routine maintenance/expenses (such as tires and oil) so these expenses will not be considered separately.

5.2.4.1.4. The owner must be able to prove that expenses are related to the business and are reasonable per Internal Revenue Service regulations.

5.2.4.2. Self-employed clients must submit their Self-Employment Worksheets and all required receipts no later than the 10th day of the following month. Staff will review the receipts and check the calculations on the worksheets.

5.2.4.3. Staff will use a three-month average of Self-Employment income when determining updates to the calculation of TTP.

5.2.5. Amounts derived from assets to which the family members have access.

5.2.5.1. Assets Include:

- Amounts in savings and checking accounts.
- The cash value of trusts that are available to a family.
- Stocks, bonds, savings certificates, money market funds, cryptocurrency, and other investment accounts.
- Equity in real property (land owned or bequeathed) or other capital investments.
- IRA, Keogh and similar retirement savings accounts even though withdrawal would result in a penalty.
- Contributions to company retirement/pension funds if any member of the family has access to the asset.
- Assets that, although owned by more than one person, allow unrestricted access by the applicant.
- One-time lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses when retained and verified.
- Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc.
- Cash value of whole life insurance policies.

5.2.5.2. Where the household has net household assets in excess of \$10,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (see Appendix 1). Households with assets less than \$10,000 will submit a self-certification as to the value of the asset and the amount of expected income.

5.2.5.3. In determining the value of a checking account, the current balance will be used.

5.2.5.4. In determining the value of a savings account, the current balance will be used.

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- 5.2.5.5. In determining the value of an investment account, the value of the account on the most recent investment report will be used.
 - 5.2.5.6. Interest, dividends and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household
 - 5.2.5.7. If an asset is owned by more than one person and any family member has unrestricted access to the asset, the full value of the asset will be used.
 - 5.2.5.8. If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, RHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, RHA will prorate the asset evenly among all owners.
 - 5.2.5.9. Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs and transfer taxes.
 - 5.2.5.9.1. The RHA will use a 5% broker fee if no actual cost documentation is provided.
 - 5.2.5.10. Balances of assets over \$10,000 shall be determined by client-supplied documentation dated within 60 days of the certification or interview for annual recertification.
 - 5.2.5.11. Assets disposed of for less than Fair Market Value in the preceding two years. For all Certifications and Recertifications, RHA will obtain the household's certification as to whether any member has disposed of assets for less than Fair Market Value during the two years preceding the effective date of the Certification or Recertification.
 - 5.2.5.11.1. When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual certifications, the family may request an interim recertification to eliminate consideration of the asset(s).
 - 5.2.5.12. Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value.
 - 5.2.6. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts. Lump-sum payments caused by delays in processing periodic payments for Social Security, SSI or VA Pensions are not counted as income. CFR 5.609(c)(14)
 - 5.2.7. Payments in lieu of earnings, such as unemployment and disability compensation, compensation and severance pay. Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance benefits) are counted as income. CFR 5.609(b)(4)
 - 5.2.7.1. If the lump-sum income covers a period prior to the Household's admission into the program, the portion covered in this prior period should not be treated as income.
 - 5.2.8. Some public assistance payments.
 - 5.2.9. Periodic and determinable allowances, such as alimony and child support payments, and regular

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contributions or gifts received from any persons not residing in the dwelling. Lump sums for these sources shall also be included as income unless the payment covers a period prior to the Household's admission into the program.

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- 5.2.9.1. RHA will use the amount of child support or alimony awarded by the court unless the Household can verify that they are not receiving the full amount and verification of item(s) below are provided.
 - 5.2.9.2. RHA will accept verification that the Household is receiving an amount less than the award if:
 - RHA receives verification from the agency responsible for enforcement or collection.
 - The Household furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency or has filed an enforcement or collection action through an attorney.
 - It is the Household's responsibility to supply a certified copy of the divorce decree/court order.
 - 5.2.9.3. If the verified amount received last year is less than the court-order or there is no court order, then the amount received in the last 12 months shall be used to project the next 12 months unless the household can document that a change has occurred that will result in a permanent change in child support.
 - 5.2.9.4. If the verified amount received by the household is more than the court ordered amount, RHA will use the amount of child support or alimony awarded by the court.
 - 5.2.9.5. If the Household reports a loss of child support, RHA will process the decrease as outlined in Chapter 14 of this Plan. Household failure to report subsequent increases or resumption of child support payments may result in a debt owed to RHA for overpaid assistance.
 - 5.2.10. Regular contributions and gifts received from persons outside the household are counted as income for calculation of TTP. Any contribution or gift received every three months or more frequently will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the household and other cash or non-cash contributions provided on a regular basis, including those paid out of a Special Needs Trust. It does not include casual contributions or sporadic gifts. If the household's expenses exceed its known income, RHA will question the household about contributions and gifts.
 - 5.2.11. All regular pay, special pay and allowances (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.), received by a member of the Armed Forces, whether or not living in the dwelling unit, who is the head of household or spouse or other person whose dependents are residing in the unit. The exceptions to this rule are hazardous duty pay when exposed to hostile fire, and any other exceptions to military pay HUD may define.
 - 5.2.12. Payments to the head of the household for support of a minor, or payments nominally to a minor for their support but controlled for their benefit by the head of the household or a resident household member other than the head, who is responsible for their support.
 - 5.2.13. Wages from employment with RHA or resident organization. Upon employment with RHA or officially recognized Resident Organization, the full amount of employment income received by the person is counted. There is no exclusion of income for wages funded under the 1937 Housing Act Programs, which includes Public Housing and Section 8 voucher programs.

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- 5.2.14. Contributions to Retirement Funds. Contributions to company retirement/pension funds are handled as follows. While an individual is employed, RHA will count as assets only amounts the household can withdraw without retiring or terminating employment. After retirement or termination of employment, RHA will count any amounts the employee elects to receive as a lump sum. Regular payments are covered in 5.2.8.
- 5.2.15. Income of Person Permanently Confined to a Nursing Home. If a household member is permanently confined to a hospital or nursing home and there is a household member left in the household, RHA will calculate the income by using the following methodology:
- 5.2.15.1. Exclude the income and deductions of the member if their income goes directly to the facility.
- 5.2.15.2. Include the income and deductions of the member if their income goes to a household member.
- 5.2.16. Proration of Assistance for “Mixed” Households [24 CFR 5.520]. Proration of assistance must be offered to any “mixed” applicant or participant household. A “mixed” household is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.
- 5.2.16.1. The household’s TTP will be calculated by multiplying the Member Maximum Subsidy by the percentage of eligible household members to determine Eligible Subsidy.
- 5.2.17. Income Changes Resulting from Welfare Program Requirements. RHA will not reduce the rental contribution for households whose welfare assistance is reduced specifically because of:
- Fraud by a household member in connection with the welfare program.
 - Failure to participate in an economic self-sufficiency program.
 - Noncompliance with a work activities requirement.

However, RHA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits.
 - A situation where a household member has not complied with other welfare agency requirements.
 - A situation where a household member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the household member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a household can receive benefits, causes the household to lose their welfare benefits.
- 5.2.17.1. Imputed Welfare Income is the amount of annual income not actually received by a household as a result of a specified welfare benefit reduction, outlined above, that is included in the household’s income for rental contribution.
- 5.2.17.1.1. Imputed welfare income is not included in annual income if the household was not an assisted resident at the time of sanction.
- 5.2.17.1.2. The amount of imputed welfare income is offset by the amount of additional income a household receives that begins after the sanction was imposed.
- 5.2.17.1.3. When additional income is at least equal to the imputed

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welfare income, the imputed welfare income is reduced to zero.

- 5.2.17.2. Cooperation Agreements. RHA has a written cooperation agreement in place with the local welfare agency which assists RHA in obtaining the necessary information regarding welfare sanctions.

5.3. ANNUAL INCOME EXCLUSIONS

Annual income does not include the following:

- 5.3.1. Income from employment of children (including foster children) under the age of 18 years;
- 5.3.2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant household, who are unable to live alone) and kinship care payments;
- 5.3.3. Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- 5.3.4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member;
- 5.3.5. Income of a live-in aide;
- 5.3.6. The full amount of student financial assistance paid directly to the student or to the educational institution;
- 5.3.7. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire;
- 5.3.8. Amounts received under training programs funded by HUD;
- 5.3.9. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- 5.3.10. Amounts received by a participant in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
- 5.3.11. A resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
- 5.3.12. Compensation from state or local employment training programs and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance;
- 5.3.13. Temporary, nonrecurring or sporadic income (including gifts);
- 5.3.14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- 5.3.15. After the first \$480 of the earned income of full-time students, other than head, co-head, or spouse, full-time student income will not be counted toward household income;

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- 5.3.16. Adoption assistance payments in excess of \$480 per adopted child;
- 5.3.17. Deferred periodic payments of supplemental security income, social security benefits and VA pensions that are received in a lump sum payment;
- 5.3.18. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- 5.3.19. Amounts paid by a state agency to a household with a developmentally disabled household member living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home;
- 5.3.20. Amounts earned by temporary U.S. Census Bureau employees as part of taking the census; employment may not exceed 180 calendar days without losing this entitlement;
- 5.3.21. Amounts earned by veterans participating in Compensated Work Therapy (CWT) programs, including Incentive Therapy (IT);
- 5.3.22. Income of persons permanently absent;
- 5.3.23. Training Programs Funded by HUD. All training income from a HUD sponsored or funded training program, whether incremental or not, is excluded from the resident's annual income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded;
- 5.3.24. As of August 25, 2015, RHA will not accept any new enrollments in the Earned Income Disallowance program.
- 5.3.25. Amounts received through General Assistance or SLA as both these programs provide loans that are expected to be repaid.
- 5.3.26. Amounts received as compensation under the Victims of Crime Act.
- 5.3.27. Payments received from programs funded under title V of the Older Americans Act of 1965.
- 5.3.28. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- 5.3.29. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- 5.3.30. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
- 5.3.31. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- 5.3.32. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937 (as amended). A notice is published in the Federal Register and distributed when necessary identifying the benefits that qualify for this exclusion.
 - 5.3.32.1. RHA will not require tenant supplied documentation or request third party verification for annual income that is fully excluded.
 - 5.3.32.2. RHA will continue to require households to provide supporting documentation and/or RHA will request third party verification for partially excluded annual income.

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~~December 1, 2023~~ March 1,2024**5.4. ADJUSTED INCOME**

Adjusted income is the annual income minus any HUD-allowable expenses and deductions specified below which are anticipated during the period for which annual income is estimated. The five HUD-allowable deductions from annual income are:

- 5.4.1. Dependent allowance: \$480 each for household members (other than the head or spouse) who are minors, and for household members who are 18 and older who are full-time students or who are disabled.
- 5.4.2. Elderly/disabled allowance: \$400 per household for households whose head or spouse is 62 or over or disabled.
- 5.4.3. Allowable medical expenses: All elderly/disabled households who self-certify they pay out of pocket medical expenses, will receive a simplified medical deduction based on the household's total gross annual income (see Appendix 7). In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship exemption in writing. RHA will establish a three person committee to review all requests for hardship; however, in order to be considered for a hardship and referred to the committee, participants must meet the following criteria: 1) household's monthly rent is no less than RHA's established minimum rent; 2) third party documentation must be provided detailing all anticipated medical expenses including monetary amounts and frequency. Once submitted, the three-person committee will review all of the documentation provided and determine whether a hardship is warranted. If any part of the established criteria is not met, a hardship will not be granted. If a Hardship is granted, the household will receive a deduction for out of pocket medical expenses in excess of three percent of their gross annual income not compensated for or covered by insurance, through their next recertification. Households wishing to receive the hardship exemption prior to or at their next recertification will need to re-request it and be approved by the committee. The determination of allowable medical expenses under an approved Hardship are as follows:
 - 5.4.3.1. A deduction of medical expenses in excess of three percent of annual income not compensated for or covered by insurance (including anticipated expenses for the next 12 months, payments on accumulated major medical bills, dental expenses, prescription medicines, transportation expenses directly related to medical treatment, eyeglasses and contacts, medical insurance premiums, hearing aids and batteries, cost of live-in assistance).
 - 5.4.3.2. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be prescribed by a doctor or licensed health professional in order to be considered a medical expense.
 - 5.4.3.3. Chiropractic, Christian Science Practitioner expenses, assisted living expenses, acupressure, acupuncture and related herbal medicines will not be considered allowable medical expenses.
 - 5.4.3.4. Unreimbursed medical expenses of all household members in households whose head or spouse is elderly or disabled;
 - 5.4.3.5. Only third-party verified medical expenses will be used with the following exceptions:
 - 5.4.3.5.1. Prescriptions - The total participant paid amount on a print-out from a pharmacy for the most recent 12-month period may be submitted.

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5.4.3.5.2. Over-the-counter medicines with prescription by a doctor or licensed health care provider will be given in accordance with the store printout of the last 12 months or the total on receipts dated within the last 12 months. The total of the receipts will be used and not multiplied by any number in an attempt to forecast prescription usage.

5.4.3.5.3. Eyeglasses and/or contacts - Deduction is based on receipts.

5.4.3.5.4. Credit Card payments will be allowed only if: Original charge can be traced back to medical expense; only original charge will be given. No interest will be allowed as a deduction; client can provide documentation that regular monthly payments are being made. All payments will be assumed towards medical expense first, so medical expense is capped by original charge minus all payments made to date.

5.4.4. Childcare expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.

5.4.4.1. Childcare must be reasonable. Reasonable is determined by what the average child care rates are in RHA's jurisdiction.

5.4.4.2. RHA will survey the local providers in the community to determine what is reasonable. RHA will use the collected data as a guideline. If the hourly rate materially exceeds the guideline, RHA may calculate the allowance using the guideline.

5.4.4.3. The maximum child care expense allowed cannot exceed the amount earned by the person enabled to work which is included in the household's annual income. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

5.4.4.4. In the case of childcare for school, the number of hours claimed for childcare may not exceed the number of hours the household member is attending school, including reasonable travel time to and from school.

5.4.4.5. In the case of a child attending private school, only after-hours care can be counted as child care expenses.

5.4.4.6. If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed.

5.4.5. Allowable disability assistance expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult household member to work, and if the expenses exceed three percent of the household's annual income. Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for visually impaired persons, and equipment added to vehicles to permit use by the disabled household member.

5.4.5.1. For non-elderly households and elderly households without medical expenses: the amount of the deduction equals the cost of all un-reimbursed expenses for attendant care or auxiliary apparatus less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.

5.4.5.2. For elderly households with medical expenses: the amount of the deduction equals

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the cost of all un-reimbursed expenses for attendant care or auxiliary apparatus less three percent of Annual Income, provided the amount does not exceed earnings plus medical expenses as defined in this section.

5.5. AVERAGING INCOME

5.5.1. When annual income is derived from known seasonal or irregular employment and income cannot be anticipated for a full 12 months, RHA may use Method 1 or Method 2 for income calculation. The method used depends on the regularity, source and type of income.

Method 1: Annualize current income and conduct an interim reexamination if income changes, or

Method 2: Average known sources of income that vary to compute an annual income and no interim reexaminations will be conducted.

If Method 2 is selected, a 12-month history of the household's income from past years is needed. RHA will notify the household of the method used to calculate income and that no interim reexaminations will be conducted.

5.6. MINIMUM INCOME

There is no minimum income requirement. Households who report zero income are required to complete a written certification at least once every 90 days.

5.6.1. Households that report zero income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

5.6.2. If the household's expenses exceed their known income, RHA will make inquiry of the head of household as to the nature of the household's accessible resources, and documentation of expenditures may be required.

5.7. UTILITY ALLOWANCE SCHEDULE AND UTILITY REIMBURSEMENT PAYMENTS

5.7.1. The same utility allowance schedule (Appendix 5) is used for regular tenancy, over-FMR tenancy, and voucher tenancy programs. The utility allowance schedule is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual household's actual energy consumption.

5.7.2. RHA reviews the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant household's rent calculation at their next annual reexamination. The approved utility allowance schedule is given to households along with their Voucher and is based on the actual unit size selected or voucher size, whichever is lower.

5.7.3. Only in the HUD VASH program, when the utility allowance exceeds the household's total tenant payment, RHA will provide a utility reimbursement payment for the household each month. The payment will be made out directly to the tenant.

5.7.4 RHA staff will inspect all complexes identified by owners to have an Energy Efficient System or will accept either a certified HERS rating report or the Nevada Housing Division report or equivalent meeting HUD energy efficient standards to verify energy efficiency status. HCV participants leasing units in these complexes will be given the EES Utility Allowance based on the lower of the voucher size or bedroom size, as stated in the Standardized Utility Allowance Schedule (Appendix 5). Rental Assistance staff will maintain a list of approved energy efficient complexes.

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~~December 1, 2023~~ March 1,2024**5.8. MINIMUM RENT AND MINIMUM FAMILY CONTRIBUTION**

The minimum family contribution in the Voucher program is \$100, except where noted in this policy.

This includes the combined amount (TTP) a household pays towards rent and/or utilities.

5.8.1. Hardship Requests for an Exception to Minimum Rent. RHA recognizes that in some circumstances even the minimum rent may create a financial hardship for households. RHA will review all relevant circumstances brought to RHA's attention regarding financial hardship as it applies to the minimum rent. The following section states RHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed (24 CFR 5.630), and in order for a household to qualify for a hardship exception the household's circumstances must fall under one of the following HUD hardship criteria:

- 5.8.1.1. The household has lost eligibility or is awaiting an eligibility determination for Federal, State or local assistance, including a household with a member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- 5.8.1.2. The household would be evicted as a result of the imposition of the minimum rent requirement.
- 5.8.1.3. The income of the household has decreased because of changed circumstances, including loss of employment or death of a household member.
 - 5.8.1.3.1. "Loss of employment" is defined as being laid off or terminated through no fault of the employee. Loss of employment does not, for the purposes of exemption to minimum rent, include voluntarily quitting employment.
 - 5.8.1.3.2. "Death in the family", for the purposes of exemption to minimum rent, includes head of household or spouse, or any household member.

5.8.1.4. Other circumstances as determined by RHA or HUD.

5.8.2. Minimum rent. RHA will review all household requests for exception from the minimum rent due to financial hardships.

- 5.8.2.1. All requests for minimum rent hardship exceptions are required to be in writing and documentation will be requested as proof of financial hardship.
- 5.8.2.2. Requests for minimum rent exception must include a statement on the household hardship that qualifies the household for an exception.

5.8.3. Suspension of Minimum Rent. RHA will grant the minimum rent exception to all households who request it, effective the first of the following month. The minimum rent will be suspended until RHA determines whether the hardship is:

- Covered by statute
- Temporary or long term

5.8.3.1. Suspension means that RHA must not use the minimum rent calculation until RHA has made this decision.

5.8.3.2. During the minimum rent suspension period, the household will not be required to pay a minimum rent and the Housing Assistance Payment will be increased

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accordingly.

5.8.3.3. If RHA determines that the minimum rent is not covered by statute, RHA will impose a minimum rent including payment for minimum rent from the time of suspension.

5.8.4. Temporary Hardship. If RHA determines that the hardship is temporary (defined as a duration of less than 90 consecutive days), a minimum rent will not be imposed for a period of up to ninety days from the date of the household's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. RHA will offer a repayment agreement to the household for any such rent not paid during the temporary hardship period.

5.8.5. Long-Term Duration Hardships [24 CFR 5.6(c)(3)]. If RHA determines that there is a qualifying long-term financial hardship, RHA must exempt the household from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the household's request for exemption.

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~~December 1, 2023~~ March 1,**6. ISSUING VOUCHERS**

[24 CFR 982.301 through 982.305]

6.1. ISSUING VOUCHERS

The Admissions Office will provide applicant files in accordance with the Admissions Applicant Referral Procedure. Upon eligibility approval of the file, the applicant will be invited to the next regularly scheduled briefing session where they will be issued a Voucher.

6.2. LENGTH OF TIME

The housing authority will issue a voucher to approved families for an initial term not to exceed 180 days. RHA will determine the exact length of the initial term of the voucher based on current rental market conditions and factors such as area vacancy rate, etc.

The household will, within the initial term of the voucher, present RHA with a completed Request for Tenancy Approval (RFTA). If the RFTA is not received prior to the expiration of the voucher, the Voucher will expire, unless otherwise extended by RHA in writing as outlined in paragraph 6.3.

- 6.2.1. Each holder of a Voucher is responsible for finding a housing unit suitable to the holder's needs and desires. A holder of a Voucher may select the dwelling unit which the holder already occupies if the unit qualifies.
- 6.2.2. Upon request, RHA will provide assistance in finding units for those households who, because of age, handicap or other reasons, are unable to locate approvable units. RHA will also provide assistance where the household alleges that discrimination is preventing the household from finding a suitable unit.
- 6.2.3. The term of the voucher will be temporarily suspended once the RFTA is turned in and will end when RHA approves or denies the tenancy request.
- 6.2.4. RHA may grant extensions to the voucher in accordance with this Administrative Plan.

6.3. EXTENSIONS

A household may submit a request for an extension of the voucher term. All requests for extensions must be received prior to the expiration date of the voucher.

- 6.3.1. Extensions are permissible at the discretion of RHA ~~up to a maximum of 180 days from initial issuance~~, in increments of 30 days each, for primarily these reasons:
 - Extenuating circumstances such as hospitalization or a household emergency for an extended period of time which has affected the household's ability to find a unit within the initial term of the voucher.
 - RHA is satisfied that the household has made a reasonable effort to locate a unit, including seeking the assistance of RHA, throughout the initial term of the voucher. A completed search record is required.
 - The household was prevented from finding a unit due to disability accessibility requirements or a household composition requiring a unit size of four bedrooms or larger. The search record is part of the required verification.

6.3.2. Suspension. The expiration of the Voucher may be suspended when contracts cannot be executed within the maximum 180-day term due to administrative delays.

6.4. APPLICANT WITHDRAWAL

6.4.1. If the applicant does not utilize their voucher prior to the expiration date, the applicant may re-

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apply with no limitation on when a new application may be submitted.

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7. PROJECT-BASED VOUCHER (PBV) PROGRAM

[24 CFR 983]

7.1. DESCRIPTION

- 7.1.1. Statutory Provisions Apply. Each of the provisions set forth in 24 CFR 983 applies to assistance under the PBV program.
- 7.1.2. Applicability of Tenant Based Program. Unless otherwise specified in the PBV program, the policies for the Housing Choice Voucher program will apply
- 7.1.3. Units selected for the PBV program may be existing housing, new construction or properties needing to be rehabilitated.
- 7.1.4. The number of units that can be selected per project will be limited to the greater of 25 units or 25 percent of the units in a project, except:
- 7.1.4.1. Units in a single-family building;
 - 7.1.4.2. Excepted units in a multifamily project (“Excepted units” means units in a multifamily project that are specifically made available for qualifying families.)
 - 7.1.4.3. Units allocated to the RHA Homeless PBV program and Workforce Development PBV program, based on HUD approval though MTW flexibility.
 - 7.1.4.4. RHA-owned properties, based on HUD approval through MTW flexibility.
- 7.1.5. The RHA may select owner proposals to provide project-based assistance for more than 20 percent of the amount of budget authority allocated to the RHA by HUD in the RHA voucher program, based on HUD approval through MTW flexibility.
- 7.1.6. No Displacement. Although the Uniform Relocation Act must apply, the Authority will not consider proposals from owners of properties in which families or individuals are being or will be displaced under this act.
- 7.1.7. Special Housing Types. In the PBV program, the RHA will not provide assistance for shared housing, manufactured home space rental or the homeownership option. See 24 CFR 983.53, 983.54 and 983.55 for prohibition of assistance for ineligible units, subsidized housing and units with excess public assistance.
- 7.1.8. Equal Opportunity. The PBV program requires compliance with all equal housing opportunity requirements.
- 7.1.9. Specific PBV Definitions.
- Admission.* The point when the family becomes a participant in RHA’s tenant-based or project-based voucher program (initial receipt of tenant-based or project-based voucher assistance). After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from RHA, a shift to the other form of voucher assistance is not a new admission.
- Agreement to enter into HAP contract (Agreement).* The Agreement is a written contract between the RHA and the owner in the form prescribed by HUD. The Agreement defines requirements for development of housing to be assisted under this section. When development is completed by the owner in accordance with the Agreement, the RHA will enter into a HAP contract with the owner.
- Contract units:* The housing units covered by a HAP contract.
- Excepted Units.* Units in a multifamily project not counted against the 25 percent per project cap.

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Only "qualifying" families can live in excepted units.

Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the HQS on that date. The units must fully comply with the HQS before execution of the HAP contract.

Multifamily building. A building with five or more dwelling units (assisted or unassisted).

PHA-owned unit. A dwelling unit owned by RHA as the agency administering the voucher program. PHA-owned means that RHA or its officers, employees, or agents hold a direct or indirect interest in the building in which the unit is located, including an interest as titleholder or lessee, or as a stockholder, member or general or limited partner, or member of a limited liability corporation or an entity that holds any such direct or indirect interest.

Proposal selection date. The date RHA gives written notice of PBV proposal selection to an owner whose proposal is selected in accordance with the criteria established in RHA's Administrative Plan.

Qualifying families. (a) Elderly and/or disabled families and/or (b) families receiving supportive services.

Responsible Entity (for Environmental Review). The unit of general local government within which the property is located that exercises land use responsibility or, if HUD determines this infeasible, the county, or if HUD determines that infeasible, the state.

Single-family building. A building with no more than four dwelling units (assisted or unassisted).

Wrong-size unit. A unit occupied by a family that does not conform to RHA's subsidy guideline for family size, by being too large or too small compared to the guideline.

7.2. SELECTION OF PBV OWNER PROPOSALS

7.2.1. The RHA will select PBV proposals through one of the following methods:

7.2.1.1. Request for PBV proposal, or

7.2.1.2. Selection based on previous competition.

7.2.1.2.1. RHA may select, without competition, a proposal for housing assisted under a federal, State or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, and units for which competitively awarded low-income housing tax credits have been provided, where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

7.2.1.2.2. Owners wishing to submit a proposal for consideration for a unit previously selected under a Federal, state, or local government housing assistance program must submit written confirmation of the competitive selection required in 7.2.1 above, along with an application for specific units in that project to be project-based. Supporting documentation must also be submitted to enable RHA to determine if the proposal meets all of RHA's and HUD's requirements.

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7.2.2. Request for Proposal (RFP) PBV Procedure:

- 7.2.2.1. When requesting proposals for PBV selection, the RHA will provide public notice of the RFP in the local news outlets as well as on its website. All RFP's will specify the submission deadline as well as detailed application and selection information.
- 7.2.2.2. Before selecting a PBV proposal, the RHA will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing, complies with the cap on the number of PBV units per project and meets the site selection standards as well as HQS substantial compliance.
- 7.2.2.3. Upon selection of a PBV proposal, the RHA will notify the owner in writing within 10 business days of the selection and provide public notice of the selection on its website.

7.2.3. Site Selection Standards. Before any PBV proposal can be selected, the site selection standards set forth in 24 CFR 983.57 must be met. For all proposed properties RHA must determine that:

- a) Project-based assistance at the site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunity. RHA may consider proposals that promote the removal of blighted and dilapidated housing, the creation of affordable housing opportunities in neighborhoods targeted by the local government, and the assistance of non-profit organizations that are located or working in such targeted neighborhoods are specific RHA goals in this determination.
- b) The site is suitable from the standpoint of facilitating and furthering full compliance with applicable provisions of civil rights acts.
- c) The site meets HQS site standards.

7.2.4. Site Selection Plan. In addition to HUD requirements set forth in 24 CFR 983.57, RHA's PBV site selection plan is that:

- a) RHA may attempt to support Reno, Sparks, and Washoe County in their efforts to improve specified neighborhoods by deconcentrating poverty and expanding housing and economic opportunity. Where such neighborhoods have been identified for other public funding improvement goals, such requests will receive a high priority.
- b) RHA may encourage non-profit groups, faith-based organizations and minority organizations, where possible, to become new providers of affordable housing for low-income persons or to expand the supply of housing for low-income persons, and such requests will receive a high priority.
- c) RHA may encourage proposals that would provide needed housing for elderly and/or disabled persons, and special needs populations identified in the City of Reno's Consolidated Plan, or other priorities set forth annually in RHA's Agency Plan.
- d) RHA may encourage proposals that are reasonably near to public transportation and provide shopping opportunities for the low-income families living at the site.
- e) RHA may encourage housing proposals that provide needed supportive services for disabled persons and will ensure that the site is accessible to the population to be served.
- f) RHA will consider each site in light of the specific requirements in 24 CFR 983.57 to

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determine if it is consistent with the requirements.

- 7.2.5. Environmental Review. Activities under the PBV program are subject to HUD environmental regulation in 24 CFR parts 50 and 58. RHA will follow guidelines set forth in 24 CFR 983.58 regarding environmental review in the PBV program.
- 7.2.6. RHA Owned or Managed Properties. Section 8 of this Administrative Plan outlines the process for assigning PBV's to RHA owned properties including exceptions to HUD requirements related to inspection and reasonable rent determinations waived with HUD approval through MTW flexibility.
- 7.2.7. Documentation Available to the Public. RHA's selection decision documentation will be made available, upon request, for public review regarding the basis for the selection of the PBV proposal.
- 7.2.8. Ineligible Housing Types. RHA will not consider any proposals for PBV assistance for units deemed ineligible under 24 CFR 983.53 or in subsidized housing as defined in 24 CFR 983.53.
- 7.2.9. Excess Public Assistance. RHA cannot approve any proposals that involve excessive public assistance for the housing as defined in 24 CFR 983.55 and 24 CFR 4.13.
- 7.2.10. Certification Required Regarding Disclosure of Public Assistance Funding. If approved, the HAP contract must contain the owner's certification that the property has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development or operation of the housing other than that disclosed in the subsidy layering review.

7.3. DWELLING UNITS

- 7.3.1. Housing Quality Standards/Accessibility Requirements. RHA will require that all PBV units meet Housing Quality Standards in 24 CFR part 982. The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act, implementing regulations at 24 CFR part 8 and, for properties constructed after March 31, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1998.
- 7.3.2. Inspections. The RHA will examine the proposed site before the proposal selection date. RHA must inspect all existing units before the proposal selection date to determine whether the units substantially comply with the HQS. All units must fully comply with HQS prior to execution of a HAP contract. After execution of a HAP contract, turnover inspections will be conducted on units prior to providing assistance to a new family. Supervisory quality control inspections will be conducted and will include a representative sample of both tenant-based and project-based units.

7.4. REQUIREMENTS FOR REHABILITATED AND NEWLY CONSTRUCTED UNITS

- 7.4.1. The RHA may enter into an Agreement to enter into a HAP contract to provide PBV assistance for newly constructed or rehabilitated housing. This Agreement must be in the form required by HUD. Provisions of the Agreement will follow guidelines set forth in 24 CFR 983.152, 983.153, 983.154, 983.155, 983.156 and 983.157.

7.5. HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT

- 7.5.1. HAP Contract Purpose and Specifications. RHA will enter into a HAP contract with the owner. With the exception of single-family scattered site projects, a HAP contract shall cover a single project. If multiple projects exist, each project shall be covered by a separate HAP contract. The HAP contract must be in the form required by HUD and must specify:
- a) Total number of contract units
 - b) Name of complex, address and parcel number
 - c) Breakdown of units by building, specific location of each unit, number of bedrooms and

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- d) What services, maintenance, and equipment to be supplied by owner without charges in addition to the rent
- e) Utilities available to the contract units and breakout of which are paid by the owner (without charges in addition to rent) and which by the tenant
- f) Accessibility features
- g) HAP contract term
- h) The number of units in any building that will exceed the 25 percent per building cap, which will be set-aside for occupancy by elderly or disabled families
- i) Initial rent to owner (for the first 12 months of the HAP contract).

7.5.2. The RHA will not enter into a HAP contract for any contract unit until RHA has determined that the unit complies with HQS.

7.5.3. In the case of existing housing, the HAP contract must be executed promptly after the RHA selection of the owner proposal and RHA inspection of the housing.

7.5.4. In the case of newly constructed or rehabilitated housing the HAP contract must be executed after the RHA has inspected the completed units and has determined that the units have been completed in accordance with the Agreement and the owner has furnished all required evidence of completion.

7.5.5. Term of HAP Contract. The RHA may enter into a HAP contract with an owner for an initial term of up to 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year and no more than 20 years. RHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, in accordance with HUD requirements, if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families.

7.5.6. Contract Subject to Funding. The HAP contract will clearly set forth that RHA's contractual obligation is subject to availability of sufficient appropriated funding as determined by HUD or RHA. If either determines there is not sufficient funding, RHA has the right to terminate the contract. The owner may terminate the HAP contract, upon notice to RHA, if the amount of rent to the owner for any contract unit is reduced below the initial amount set at the beginning of the HAP contract term.

7.5.7. Housing Quality Standards Must be Maintained. The owner must maintain and operate the contract units and premises in accordance with HQS, including ordinary and extraordinary maintenance, and must provide all the services, maintenance, equipment and utilities set forth in the HAP contract.

7.5.8. Penalties When Unit Does Not Meet HQS. No housing assistance payment will be made to the owner for a contract unit for any period the unit does not comply with HQS. Moreover, RHA can terminate the HAP contract, terminate payments, abate or reduce payments, charge a \$75 third inspection fee to the owner, or reduce the number of contract units if a contract unit is not in accordance with HQS or other HAP contract requirements.

7.5.9. Contract termination or expiration. Not less than one year before termination of a PBV HAP contract, the owner must notify the PHA and assisted tenants of the termination. If an owner does not give timely notice of termination, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent.

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

7.5.10. HAP Contract amendments.

- 7.5.10.1. At the discretion of the RHA and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, the RHA must inspect the proposed substitute unit and must determine the reasonable rent for such unit.
- 7.5.10.2. At the discretion of the RHA, and provided that the total number of units in a project that will receive PBV assistance will not exceed ~~25 percent of the total number of dwelling units in the project~~ the project cap, or the 20 percent of authorized budget authority as provided in 24 CFR 983.6, a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same project. An amendment to the HAP contract is subject to all PBV requirements, except that a new PBV request for proposals is not required. The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.
- 7.5.10.3. If contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.
- 7.5.10.4. Units occupied by families whose income has increased during their tenancy resulting in the tenant rent equaling the rent to the owner, shall be removed from the HAP contract ~~180-365~~ days following the last housing assistance payment on behalf of the family. If the project is fully assisted, RHA may reinstate the unit removed after the ineligible family vacates the property. If the project is partially assisted, the RHA may substitute a different unit for the unit removed.

7.6. OCCUPANCY

- 7.6.1. Separate Waiting List for Each PBV Property. RHA may establish a separate project-based waiting list for each PBV property by bedroom size with the preference listed below and the preferences outlined in 3.7. Persons on the current tenant-based voucher waiting list at the time it is established will be given an opportunity to also apply for the PBV waiting list.
- 7.6.2. Landlord Maintained Waiting List. RHA may enter into an agreement in which a landlord could maintain their own project-based waiting list. Upon determination of suitability for occupancy, property manager/owner will then forward the referral to RHA for final eligibility determination.
- 7.6.3. Absolute Selection Preference For In-Place Families. Program eligible families residing in a proposed contract unit on the proposal selection date must be placed on RHA's waiting list and given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. This preference does not apply to families that were not eligible on the project selection date.
- 7.6.4. Referrals of Families Requiring Accessible Features. Applicants for PBV waiting lists will be

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asked if they require accessible features and only those applicants will be referred to units with the required features. If there are units with accessible features available, and no families on the waiting list needing the features, the first eligible family on the waiting list will be referred to the unit.

- 7.6.5. Oral Briefing for Referral. An oral briefing must be given to any family who accepts an offer of PBV assistance. The briefing must contain the information set forth in 24 CFR 983.252.
- 7.6.6. Selection and Referral. Tenants will be selected by the owner from eligible families selected and referred by RHA from its waiting list for the property. Tenants selected must be placed in units that are appropriate for the family size in accordance with RHA's subsidy standards.
- 7.6.7. Owner Notification of Applicant Rejection. Within 10 days of the rejection, the owner must notify any rejected applicant in writing of the grounds for the rejection. Such rejection by the owner does not affect the family's position on RHA's waiting list for tenant-based assistance.
- 7.6.8. Reporting of Vacancies. The owner must properly notify RHA of vacancies and expected vacancies, and RHA will promptly refer a sufficient number of applicants for the owner to fill the units in a timely manner.
- 7.6.9. Long-Term Vacancies. If a unit is left vacant for 120 or more days in spite of good faith efforts by RHA to fill the vacancy, RHA may give notice to the owner amending the HAP contract to delete the unit.
- 7.6.10. Owner to Screen Tenants. RHA will not screen for family behavior or suitability of tenants, other than the same criminal history screening done for all other Housing Choice Voucher applicants to ensure eligibility for the program. It is the owner's responsibility to do all other screening.
- 7.6.11. RHA will Provide Certain Information on Applicants. Where available and when requested, RHA will provide landlords on the PBV program with the family's current and prior address and the name and address of the family's current or prior landlord. Upon request, RHA will provide documented information regarding tenancy history for the past five years to prospective owners/managers. RHA may provide oral or written tenant/household information for the last five years, based on documentation in its possession, limited to the following:
- Balance of money owed
 - Termination for violation of family obligations and reasons for the termination
 - Damages caused to a unit
 - Involvement with fraud, bribery, or other corrupt or criminal acts
 - Serious or repeated violation(s) of the signed lease agreement
 - Drug-related criminal activity or other criminal activity by household members
- RHA will make an exception to this requirement if the household's whereabouts must be protected due to domestic abuse or witness protection. This policy on providing information to owners/managers is included in the voucher programs' briefing packets and will apply uniformly to all tenants/households and owners/managers.
- 7.6.12. Lease Required. The landlord and tenant must be able to enter into a lease and must execute a lease that complies with state and local law, has the HUD required tenancy addendum, and has been approved by RHA.
- 7.6.13. Security Deposit. The owner must collect a security deposit that is consistent with private market

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practices and does not exceed the amount collected from unassisted tenants.

- 7.6.14. Absence from unit. Restrictions on absence from the unit will be the same as those for tenants in the Housing Choice Voucher Program.
- 7.6.15. Wrong Sized Unit/Accessible Unit Not Needed/Remaining Family Member. If a family is in the wrong sized unit under RHA's subsidy standards, or in an accessible unit that it does not need but is needed by another family, or is (are) the remaining family member(s) who no longer qualifies(y) for elderly or disabled family status in an excepted unit, RHA may, at its discretion, offer the family one of the following: (a) Project-based voucher assistance in an appropriate-size unit (in the same building or in another building), (b) Public Housing assistance, or (c) a Housing Choice Voucher to move elsewhere to remedy the situation. If the tenant refuses to move out of the unit within 60 days of the applicable offer being made, RHA will terminate the housing assistance for the wrong size, accessible, or unqualified for unit. No unit occupied by an ineligible family after this period will be eligible for PBV assistance.
- 7.6.16. Right to Move After First Year. The tenant in a Competitively Selected PBV unit has the right to move with continued assistance after the first year of occupancy. If the tenant chooses to move, the tenant must inform RHA before giving 30 days' notice of intent to vacate to the owner. RHA will give the family a Housing Choice Voucher as soon as one is available before families on RHA's Housing Choice Voucher waiting list. Families will be given the Housing Choice Voucher in the order requested.

7.7. RENT TO OWNER

[24 CFR 983.301 – 983.305]

- 7.7.1. Initial Rent. The initial rent is set at the beginning of the HAP contract term based on the most recent MAFMR and utility allowance; however, RHA may use the amounts in effect up to 30 days prior to the HAP contract execution.
- 7.7.2. Limitations on Rent. Except for certain tax credit units as set forth in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- a) Amount determined by RHA, not to exceed 110 percent of the MAFMR (or any exception payment standard) for the unit bedroom size minus any utility allowance,
 - b) The reasonable rent, or
 - c) The rent requested by the owner.
- 7.7.3. Limitations on Rents Set by Other Funding Sources. In the case of units receiving funding from other sources (e.g., LIHTC or HOME) described in 24 CFR 983.301(c) the rent to owner must not exceed the lowest of:
- a) The rent of the applicable funding source minus any utility allowance,
 - b) The reasonable rent, or
 - c) The rent requested by the owner.
- 7.7.4. Redetermination of Rent. RHA will redetermine the rent to owner in accordance with 24 CFR 983.302 only:
- a) Upon the owner's request at the annual anniversary of the HAP contract, or
 - b) When there is a ten percent decrease in the published Fair Market Rents.
- 7.7.5. Requests for Rent Increases. Requests for rent increases must be submitted in writing at least 60 days before the annual anniversary of the HAP contract. The request must specify the unit address,

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HAP contract date, the current rent and utility allowance, and the proposed rent and utility allowance.

- 7.7.6. Owner Must Comply with all HAP Contract Requirements to Receive Rent Increases. No increase in rent will be approved or become effective until and unless the owner has complied with all requirements of the HAP contract, including compliance with HQS.
- 7.7.7. Fair Market Rent Decrease. If the Fair Market Rent decreases ten percent or more a new determination of rent must be made consistent with 7.7.1 and 7.7.2 above. If this results in a decrease in the rent to owner under 24 CFR 983.301(b) or (c), the rent must be decreased by RHA.
- 7.7.8. Written Notice of Redetermined Rents. RHA must provide written notice of redetermined rents. This notice constitutes an amendment of the rent to owner specified in the HAP contract.
- 7.7.9. Rent Cannot Exceed Reasonable Rent. At no time may the rent to owner exceed the reasonable rent. Accordingly, RHA must redetermine the reasonable rent:
- When there is a ten percent or greater decrease in published Fair Market Rent.
 - When RHA approves a change in the allocation of responsibility for utilities between the owner and tenant.
 - Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
 - Whenever there is any change that may substantially affect the reasonable rent.
- 7.7.10. Comparability Study. The determination of reasonable rent will be based on comparison rents for at least three comparable units in the private unassisted market. The study will be consistent with the requirements of 24 CFR 983.303(c). The comparable analysis must not be maintained or conducted by anyone who may have a direct or indirect interest in the property.
- 7.7.11. HUD Subsidy Layering Requirements. Rents to owner must not exceed any limitation necessary to comply with HUD subsidy layering requirements.

7.8. PAYMENT TO OWNER

- 7.8.1. HAP Contract Terms. Housing assistance payments to the owner will be made in accordance with the terms of the HAP contract. Payments will be made for the months during which a contract unit is leased and occupied by an eligible family.
- 7.8.2. Move-out Month. If an assisted family moves out of a unit, ~~the owner may keep the housing assistance payment for the calendar month in which the family moves out if the vacancy was not the owner's fault.~~ RHA will prorate the assistance paid based on the date the unit was vacated. Owners will be eligible to receive additional payments as outlined in the Landlord Incentive Program. See Section 24.2.
- 7.8.3. Vacancy Payments. ~~RHA reserves the right to strike the vacancy payments provision from any PBV HAP contract prior to execution per 24 CFR 983.352(b). If vacancy payments are to be made as part of the contract, vacancy payments they will be for up to one full calendar month will be allowed~~ from the beginning of the first calendar month after the move-out month:
- The exact payment will be determined by RHA but cannot exceed the monthly unit rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Vacancy payments will be limited to the HAP paid on behalf of the family for the month prior to the termination of the lease.
 - The vacancy payment may cover only the period the unit remains vacant.

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- c) The payment will be made only if the owner:
- i. Gives RHA prompt written notice certifying that the family has vacated and include the date vacated to the best of the owner's knowledge and belief;
 - ii. Certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period claimed;
 - iii. Certifies that every reasonable action has been taken to minimize the likelihood and length of vacancy; and
 - iv. Submits a written request as required by RHA and provides requested documentation.

7.8.4. Tenant Rent. The tenant rent (or portion of the rent paid to the owner by the family) will be determined by RHA and this determination will be made in accordance with HUD requirements. Any changes will be effective on the date stated in a notice by RHA to the family and owner.

7.8.5. Tenant Payment to the Owner. The family is responsible for paying the tenant rent (total tenant payment minus utility allowance). The owner may not charge the family any additional amount for laundry services, maintenance, equipment or utilities.

- a) The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent determined by RHA and must immediately return any excess payment to the tenant.
- b) The tenant is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of RHA's housing assistance payment.
- c) RHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract, not for paying the tenant rent or for paying any other claim by the owner.
- d) RHA may not use housing assistance payments or other program funds to pay any part of the tenant rent or to pay any other claim by the owner.
- e) RHA may not make any payment to the owner for any damage to the unit, or for any other amount owed by a family under the lease or otherwise.

7.8.6. Other Fees and Charges. Owners may not charge the tenant or family members for meals, supportive services or items customarily included in the rent, and non-payment of such charges is not grounds for termination of tenancy.

~~7.9. PBV RENTAL ASSISTANCE DEMONSTRATION (RAD) CONVERSION~~

~~7.9.1. The RHA will follow any and all regulations set forth by HUD with respect to PBV RAD conversions authorized by the Consolidated and Further Continuing Appropriations Act, 2012.~~

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8. PROJECT BASED VOUCHERS UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD-PBV)

8.1. GENERAL REQUIREMENTS

8.1.1. Applicable Regulations

The regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

As an MTW agency, projects converted to RAD PBV maintain any MTW waivers or alternative requirements that do not conflict with RAD requirements. RHA, as an MTW agency, may also modify the special RAD requirements (except where explicitly noted in Section 1.6 of the RAD Notice) via an approved MTW Plan or an MTW Supplement to an approved PHA Plan.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in PIH Notice 2019-23. Any non-RAD PBV units located in the covered project are subject to the same waivers and alternative requirements where noted in PIH Notice 2019-23 and in this policy.

If not otherwise stated, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) notices and guidance, including related handbooks, apply to RAD PBV.

Requirements specific to the RAD program may be found in the following:

- Public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing.
 - PIH Notice 2019-23 is immediately applicable at the time of closing to all projects converting assistance (notwithstanding execution of a commitment for conversion).
 - Except with respect to changes in the project eligibility and selection criteria, not included in this policy, which are effective after a 30-day comment period.
- RAD Quick Reference Guide for Public Housing Converting to PBV Assistance.
- PIH Notice 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
- RAD FAQs (<http://www.radresource.net/search.cfm>)

8.1.2. Tenant-Based VS. Project-Based Voucher Assistance [24 CFR 983.2]

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, RHA policies for the project-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

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8.1.3. **Relocation Requirements** [PIH 2016-17]

- In some developments, in-place residents may need to be relocated as a result of properties undergoing significant rehabilitation, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed. Any non-RAD PBV units located in the same project are also subject to the right to return.
- Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements, and other requirements which may be applicable such as Section 104(d) of the Housing and Community Development Act of 1974, as amended. A written relocation plan is required if the RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year.
- RHA must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.
- Residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either: a) a unit at the development once rehabilitation or construction is completed, provided the resident's household is not under-housed; or b) a unit in the development which provides the same major features as the resident's unit in the development prior to the implementation of the RAD conversion.
- Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.
- If the RHA's proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. RHA will alter the project plans to accommodate the resident's right to return to the development if the resident would be precluded from returning to the development.
- Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:
 - Changes in the development's bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
 - The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;
 - Income limit eligibility requirements associated with the LIHTC program or another program; and
 - Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.
- Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept an offer to permanently relocate to alternative housing, and thereby waive

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their right to return to the development after rehabilitation or construction is completed. In this event, RHA must secure the resident's written consent to a voluntary permanent relocation in lieu of returning to the development. RHA may not terminate a resident's lease if RHA fails to obtain the resident's consent and the resident seeks to exercise the right to return.

- In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident's right to return must be accommodated within the development associated with the resident's original unit, however, RHA may treat multiple converted developments on the same site as one for purposes of right to return. Should RHA seek to have the resident exercise the right to return at a future phase, RHA will secure the resident's consent in writing.
- Alternative housing options may involve a variety of housing options, including but not limited to:
 - Transfers to another public housing complex or unit
 - Admission to other affordable housing properties subject to applicable program rules
 - Issuance of a Housing choice voucher (HCV)
 - Other options identified by the RHA

8.1.4. Equal Opportunity Requirements [24 CFR 983.8; 24 CFR 5.105; Notice PIH 2016-17]

RHA will comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance.

8.2. PBV PROJECT SELECTION

Unlike in the standard PBV program, projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2019-23. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

8.2.1. Ownership and Control [Notice PIH 2019-23]

For projects governed by Notice PIH 2019-23, the following language applies:

- Under the PBV program, the contract administrator and the owner listed on the contract cannot be the same legal entity (i.e., RHA cannot execute a contract with itself). To avoid this situation, RHA will either: 1) Transfer the ownership of the project to a nonprofit affiliate or instrumentality of the RHA (including to a "single-purpose entity" that owns nothing other than the property, which will typically be a requirement of a lender or investor), or 2) RHA can form a related entity that is responsible for management and leasing and can serve as the owner for purposes of the Section 8 HAP contract; in this scenario, the HAP is then executed between the RHA (as the contract administrator) and the RHA's related entity (as the owner for HAP contract purposes). Note that in the second scenario, both the RHA and the entity serving as the owner for HAP contract purposes will be required to sign the RAD Use Agreement [RAD Resource Desk FAQ 01/24/19].
- Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. HUD may also allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the project, but only if HUD determines that RHA or a nonprofit entity preserves an interest

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in the profit. The requirement for a public or non-profit entity, or preservation of an interest by RHA or non-profit in a property owned by a tax credit entity controlled by a for-profit entity, is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) demonstrates other ownership and control arrangements approved by HUD.

- Control may be established through the terms of the project owner's governing documents or through a Control Agreement, provided that in either case amendment of the terms of control requires consent from HUD.

8.2.2. **RHA-Owned Units** [24 CFR 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

RHA will utilize HUD approved MTW Activity 2014-01 waiving the use of a HUD approved independent entity to set rents and inspect RHA owned properties and will set rents and inspect its own units.

The definition of ownership or control provided under Notice PIH 2019-23 (listed above) is used specifically to determine whether a RHA retains control over a project for purposes of HUD's requirement for ownership or control of the covered project under RAD. For purposes of determining whether an independent entity will perform certain functions for the project, the definition of *PHA-owned* under Notice PIH 2017-21 is used. This is the same definition used for standard PBV units. In some cases, a project may meet the RAD definition of ownership or control but may not be considered RHA-owned for purposes of requiring an independent entity.

8.2.3. **Subsidy Layering Requirements** [Notice PIH 2019-23; Notice PIH 2012-32, Rev-3; Notice PIH 2012-32, Rev-2]

For projects governed by Notice PIH 2019-23, the following language applies:

- If RHA will no longer have ACC units as a result of the pending or simultaneous closing, or have less than 50 units remaining and have initiated procedures to dispose of their final ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; RHA may convey all program funds to the covered projects or projects through the conversion. However, RHA must estimate and plan for outstanding liabilities and costs and must follow Notice PIH 2016-23 or successor notice regarding the administrative activities required to terminate the ACC if it has no plans to develop additional public housing.
- If RHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review.
- Following execution of the HAP contract, RHA will be authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, RHA may not contribute public housing program funds to the covered project unless those funds have been identified in the RAD Conversion Commitment (RCC) and converted at closing for Section 8 RAD purposes.

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~~December 1, 2023~~ March 1,**8.2.4. PBV Percentage Limitation and Unit Cap** [Notice PIH 2019-23]

8.2.4.1. **PBV Percentage Limitation:** Covered projects do not count against the maximum amount of assistance RHA may utilize for the PBV program, which under the standard PBV program is set at 20 percent of the authorized units allocated to RHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24 CFR 983.6.

8.2.4.2. **Unit Cap Limitation:** Under the standard PBV program the cap is set at the greater of 25 units or 25 percent of the units in the project. HUD is waiving this requirement, and projects governed by PIH Notice 2019-23 have no cap on the number of units that may receive PBV assistance in a project.

8.2.5. Site Selection Standards [Notice PIH 2019-23; Notice PIH 2016-17]

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

To facilitate the uniform treatment of residents and units, any non-RAD PBV units located in the same project are subject to the terms of this provision.

HUD will conduct a front-end civil rights review of RHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

RHA will ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

8.2.6. Environmental Review [Notice PIH 2019-23; Environmental Review Requirements for Rad Conversions, March 2019]

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Once an awardee submits an application for a specific project, they may not make any choice limiting actions before the completion of the environmental review.

8.3. DWELLING UNITS**8.3.1. Housing Quality Standards** [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program generally apply to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

8.3.1.1. Lead-based Paint [24 CFR 983.101(c); Notice PIH 2019-23]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

8.3.2. Housing Accessibility for Persons with Disabilities [Notice PIH 2016-17]

Federal accessibility requirements apply to all conversions, whether they entail new construction, alternations, or

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existing facilities. The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. RHA will ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

8.3.3. **Inspecting Units** Initial Inspection [RAD Quick Reference Guide; Notice PIH 2019-23]

In order to accommodate projects in which significant rehabilitation is conducted, HUD has waived regulations at 24 CFR 983.103(b), RHA may not enter into a HAP contract until RHA has determined all units comply with HQS, when units are undergoing rehabilitation. In this case, units must meet HQS by the date indicated in the RAD Conversion Commitment (RCC). Before providing assistance to a new family in a contract unit, RHA will inspect the unit. RHA will not provide assistance on behalf of the family until the unit fully complies with HQS [24 CFR 983.103(c), FR Notice 1/18/17, and Notice PIH 2017-20].

RHA utilizes a biennial inspection schedule. At least once every 24 months during the term of the HAP contract, RHA will inspect a random sample consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, RHA must reinspect 100 percent of the contract units in the building.

In the case of mixed-finance properties that are subject to alternative inspections, RHA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements [24 CFR 983.103(g); Notice PIH 2016-05].

As noted above, in the case of RHA-owned units, required inspections will be performed by HQS certified RHA staff.

8.4. HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with RHA, who will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions [PBV Quick Reference Guide 10/14]

8.4.1. **HAP Contract Requirements**

8.4.1.1. Contract Information [PBV Quick Reference Guide (10/14)]

The RAD PBV program uses the RAD-PBV HAP contract for new construction or rehabilitated housing. To execute a RAD-PBV HAP contract, the project must have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

8.4.1.2. Execution and Effective date of the HAP Contract [RADBlast! 7/11/16]

When the conditions of the CHAP and the RCC are met and the conversion has closed, RHA will execute the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

8.4.1.3. Term of HAP Contract [Notice PIH 2019-23]

The initial term of the HAP contract may not be for less than 15 years and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the

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contract, and upon each renewal term of the contract, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to RHA and HUD approval, at another site through a future transfer of assistance. Contracts are subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which permits a minimum term of one year, as well as 24 CFR 983.205(a), which governs the contract term.

8.4.1.4. Mandatory Contract Renewal [Notice PIH 2019-23]

By statute, upon contract expiration, the agency administering the vouchers will offer, and the RHA will accept, renewal of the contract for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to RHA and HUD approval, at another site through a future transfer of assistance. The contract is subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing RHA's discretion to renew the contract, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

8.4.1.5. Remedies for HQS Violations [24 CFR 983.208(b)]

RHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If RHA determines that a contract unit does not comply with HQS, RHA will engage remedies for HQS Violations as outlined in Section 11 of this plan.

8.4.2. Amendments to the HAP Contract

8.4.2.1. Floating Units [Notice PIH 2019-23]

HUD permits and RHA will utilize floating units when appropriate. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

When utilizing floating units, they are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward. RHA will float units, when applicable.

8.4.2.2. Reduction in HAP Contract Units [Notice PIH 2019-23]

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

RHA will not reduce the number of assisted units without written HUD approval. Any HUD approval of RHA's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

If units are removed from the HAP contract because a new admission's Total Tenant Payment (TTP) comes to equal or exceed the gross rent for the unit and if the project is fully assisted, RHA will reinstate the unit after the family has vacated the property. If the project is partially assisted, RHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.

8.4.3. HAP Contract Year and Anniversary Dates [24 CFR 983.302(E)]

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The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

8.4.4. Vacancy Payments [24 CFR 983.352(B)]

RAD-PBV contracts will provide for vacancy payments to the owner for a predetermined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be identified in the RAD-PBV contract and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner, including amounts available from the tenant's security deposit.

8.5. SELECTION OF PBV PROGRAM PARTICIPANTS

8.5.1. Prohibited Rescreening of Existing Tenants Upon Conversion [Notice PIH 2019-23]

Current households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by PIH Notice 2019-23 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for non-RAD PBV. Any non-RAD PBV units located in the same project are also subject to the right to return.

For the RAD PBV program, *in-place family* means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

8.5.2. Eligibility for PBV Assistance [24 CFR 983.251(A) And (B)]

RHA will determine an applicant family's eligibility for the RAD-PBV program in accordance with the policies in Section 2 of this plan.

8.5.3. Organization of the Waiting List [24 CFR 983.251(C); Notice PIH 2019-23]

RHA will establish and manage separate site-based waiting lists for individual projects or buildings that are receiving RAD PBV assistance. Additional preferences may be applied to RAD-PBV site-based lists in addition to those identified in Section 3 of this plan.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, RHA will consider transferring such household, consistent with program requirements for administration of waiting lists, to RHAs remaining public housing waiting lists, in addition to transferring such household to the waiting list for the covered project.

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To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

RHA will maintain all site-based wait lists in accordance with all HUD regulations and Section 3 of this plan.

8.5.4. Selection from the Waiting List [24 CFR 983.251(C)]

RHA will select applicants from wait lists in accordance with the provisions of Section 3 of this plan.

8.5.4.1. Income Targeting [24 CFR 983.251(c)(6); Notice PIH 2019-23]

RHA will utilize income targeting as outlined in Section 3 of this plan. Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements. Any non-RAD PBV units located in the same project are also subject to these requirements.

8.5.4.2. Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy RAD-PBV units that have special accessibility features for persons with disabilities, RHA will first refer families who require such features.

8.5.4.3. Preferences [24 CFR 983.251(d); FR Notice 11/24/08; Notice PIH 2019-23]

Additional site-specific preferences may be applied to RAD-PBV site-based wait lists in addition to those identified in Section 3 of this plan.

RHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refusing to list the applicant on the waiting list for tenant-based voucher assistance
- Denying any admission preference for which the applicant qualifies
- Changing the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under RHA's selection policy
- Removing the applicant from the tenant-based voucher waiting list

8.5.5. Acceptance of Offer [24 CFR 983.252]

When a family accepts an offer for PBV assistance, RHA will provide the family with an oral briefing (See Section 11). If an applicant family's head or spouse is disabled, RHA will provide effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, RHA will have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit. RHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

8.6. OCCUPANCY

8.6.1. Overview

After an applicant has been selected from the waiting list, determined eligible by RHA, briefed and referred to the unit, the family will sign the lease and occupancy of the unit will begin.

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The tenant must have legal capacity to enter into 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.

The tenant and the owner/owner entity must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

8.6.2.1. Lease Requirements [24 CFR 983.256(c); Notice PIH 2019-23]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
- The amount of any charges for food, furniture, or supportive services.

In addition to the above, RHA will include resident procedural rights for termination notification and grievance procedures in the lease. These requirements are not part of the regular PBV program but are required under RAD.

8.6.2.2. Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements
- The composition of the household as approved by RHA (the names of family members and any RHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

8.6.2.3. Initial Term and Lease Renewal [24 CFR 983.256(f); PBV Quick Reference Guide (10/14)]

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

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- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- RHA terminates the HAP contract
- RHA terminates assistance for the family

8.6.2.4. Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give RHA a copy of all changes.

The owner must notify RHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by RHA and in accordance with the terms of the lease relating to its amendment. RHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

8.6.2.5. Owner Termination of Tenancy [24 CFR 983.257; Notice PIH 2019-23]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

The termination procedure for RAD conversions to PBV require adequate written notice of termination of the lease which may not be less than:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, RHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply.

These provisions apply to non-RAD PBV units located in the project as well.

8.6.2.6. Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by RHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. RHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted. See Section 17 of this plan for policy related to absence from

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the unit.

8.6.2.7. Continuation of Housing Assistance Payments [24 CFR 983.258; Notice PIH 2019-23]

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, until such time as the family's TTP falls below the gross rent, the family will pay the owner the lesser of their TTP minus the utility allowance or any applicable maximum rent under the LIHTC program. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Any non-RAD PBV units located in the same project are also subject to these requirements.

Unless a waiver is requested and approved, following conversion, 24 CFR 983.53(d) applies, and any new admission referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program.

For any new families admitted after the conversion, assistance will be terminated 365 days after the last housing assistance payment on their behalf. The cessation of housing assistance payments does not affect the family's other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the 365-day window. If a family's assistance is terminated as a result of their zero HAP status, RHA must remove the unit from the HAP contract. If the project is fully assisted, RHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, RHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207 (See Section 15.1).

8.6.2.8. Security Deposits [24 CFR 983.259; PBV Quick Reference Guide (10/14)]

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise, the security deposit requirements for standard PBV apply. The owner may collect a security deposit from the tenant. The owner will not set security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

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

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. RHA has no liability or responsibility for payment of any amount owed by the family to the owner, if the owner is not a RHA or an associated entity of RHA.

8.6.3. Public Housing FSS and Ross Participants [Notice PIH 2019-23]

Current PH FSS participants will continue to participate in RHA's FSS program, RHA is allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding availability (NOFA), to serve those FSS participants who live in units converted to RAD and who will, as a result be moving to the HCV FSS program. RHA will then convert the PH FSS program participant at the covered project to their HCV FSS program.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated

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from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

Any non-RAD PBV units located in the same project are also subject to these requirements.

8.6.4. Resident Participation and Funding [Notice PIH 2019-23]

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

8.6.5. Moves

8.6.5.1. Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260; Notice PIH 2019-23]

All in-place tenants at the time of conversion are eligible to return to the project post construction/rehabilitation. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family. Any non-RAD PBV units located in the same project are also subject to these requirements.

Following conversion, the standard PBV regulations apply. If RHA determines that a family is occupying a wrong-size unit, based on RHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, RHA must promptly notify the family and the owner of this determination, and RHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project
- PBV assistance in another project
- Tenant-based voucher assistance

If RHA offers the family a tenant-based voucher, the RHA will terminate the housing assistance payments for a wrong-size or accessible unit at the earlier of the expiration of the term of the family's voucher, including any extension granted by RHA, or the date upon which the family vacates the unit. If the family does not move out of the wrong-size unit or accessible unit by the expiration of the term of the family's voucher, RHA must remove the unit from the HAP contract.

When RHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 calendar days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, RHA will terminate the housing assistance payments at the expiration of this 30-day period. RHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

8.6.5.2. Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the RHA. See Section 17.6 of this plan for further information.

8.6.5.3. Choice Mobility [Notice PIH 2019-23]

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If the family wishes to move with continued tenant-based assistance, the family must contact RHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, RHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance.

RHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

8.6.5.4. Turnover Cap

RHA is not subject to a turnover cap as a result of exceeding 20% of Annual Budget Authority in PBV assignment (both RAD and standard PBV assignment) as waived by HUD approved MTW Activity #2024-02.

8.6.5.5. Emergency Transfers under VAWA [Notice PIH 2017-08]

When the victim of domestic violence, dating violence, sexual assault, or stalking residing in a RAD-PBV unit requests an emergency transfer based on VAWA protections, RHA will follow the provisions set forth in Section 17.1.4 of this plan.

8.6.6. **Reexaminations** [PBV Quick Reference Guide (10/14)]

See Section 14 of the plan for information on reexaminations.

8.6.7. **Residents' Procedural Rights** [Notice PIH 2019-23]

In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV requires adequate written notice of termination of the lease, which is:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

8.6.8. **Informal Reviews and Hearings** [Notice PIH 2012-32, REV-3]

In addition to the provisions of Section 21 of this plan, the owner must provide an opportunity for an informal hearing before an eviction.

8.7. **DETERMINING CONTRACT RENT**

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RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for RHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2019-23. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

RHA may adjust subsidy (and contract rents) across multiple projects as long as RHA does not exceed the aggregate subsidy for all of the projects RHA has submitted for conversion under RAD.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications made to the initial contract rent, the initial rents are set at the lower of:

- An amount determined by RHA, not to exceed 110 percent of the fair market rent (FMR) or RHA's exception payment standard approved by HUD, or the alternate rent cap in RHA's MTW agreement minus any utility allowance
- The reasonable rent
- The rent requested by the owner

8.7.1.1. **Adjusting Contract Rents** [Notice PIH 2019-23; PBV Quick Reference Guide (10/14)]

Contract rents will be adjusted annually only by HUD's operating cost adjustment factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance)
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant

The contract rent adjustment will be the lesser of:

- The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the *Federal Register*; or

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- The reasonable rent

RHA (or independent entity, if the project is PHA-owned) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least 120 days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to the PHA administering the PBV assistance (or the independent entity). RHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

8.7.1.2. Rent Decrease

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

8.7.2. Utility Allowances [Notice PIH 2019-23; PBV Quick Reference Guide (10/14)]

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, RHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract.

RHA will apply site specific utility allowances after sufficient time has passed to collect energy usage at newly constructed or rehabilitated site. Until such time, RHA's HCV utility allowance will be used. A site-specific utility allowance will be applicable to non-RAD PBV units in the project and is calculated consistent with Notice H 2015 04.

8.7.3. Reasonable Rent [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by RHA. Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

8.7.3.1. How to Determine Reasonable Rent

Reasonable rent determinations will be conducted in accordance with Section 11.6 of this plan.

8.8. PAYMENTS TO OWNER

8.8.1. Housing Assistance Payments

During the term of the HAP contract, RHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and RHA agree on a later date.

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

8.8.2. Vacancy Payments [24 CFR 983.352]

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An owner may keep the HAP payable for the calendar month when the family moves out but may not keep the payment if RHA determines that the vacancy is the owner's fault. If RHA determines that the owner is responsible for a vacancy and as a result is not entitled to the keep the housing assistance payment, RHA will notify the landlord of the amount of housing assistance payment that the owner must repay. RHA will recoup any overpayment of HAP by withholding the overpayment from the next scheduled payment to the owner.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified RHA of the vacancy in accordance with the policy in this section.

In order for a vacancy payment request to be considered, it must be made within 14 calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and RHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by RHA within 14 calendar days of RHA's request, no vacancy payments will be made.

A maximum of two months of vacancy payments will be made to an owner based on a property reported vacancy.

8.8.3. **Tenant Rent to Owner** [24 CFR 983.353; Notice PIH 2019-23]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by RHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in RHA's notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by RHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by RHA. The owner must immediately return any excess payment to the tenant.

8.8.4. **Initial Certifications** [Notice PIH 2019-23]

For newly converted public housing units, RHA will use the family's public housing tenant rent (reflected on line 10f of the family's most recent 50058) at the date of conversion to calculate HAP and tenant rent for the PBV program for the initial certification, RHA will use this amount until the effective date of the earlier of the family's first regular or interim recertification following the conversion. At that point, RHA will use the family's TTP based on the recertification and the applicable utility allowance (HCV or RAD PBV site-based, as applicable) to determine PBV HAP and tenant rent. Any non-RAD PBV units located in the same project are subject to the same requirements.

8.8.5. **Tenant and RHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by RHA. Likewise, RHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. RHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. RHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

8.8.6. **Phase-in of Tenant Rent Increases** [Notice PIH 2019-23]

For in-place tenants, RHA will implement a three-year phase-in for in-place families whose TTP increases by more than the greater of 10 percent or \$25 purely as a result of the conversion as follows:

Year 1: Any reexamination (interim or annual) performed prior to the second annual reexamination after

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conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 2: Year 2 annual reexamination and any interim reexamination: 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 3: Year 3 annual reexamination and all subsequent reexaminations: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

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9. RHA OWNED OR CONTROLLED PROPERTIES WITH PROJECT BASED VOUCHERS

[24 CFR 983]

9.1. GENERAL

9.1.1. RHA's Moving to Work (MTW) Demonstration Program. As detailed in RHA's MTW Plan, with HUD approval, RHA will provide additional opportunities to meet local housing needs by providing non-Public Housing properties owned or controlled by the Authority with project-based vouchers without requiring a competitive process.

9.1.1.1. Units selected may be existing housing, new construction properties or properties needing to be rehabilitated

9.1.2. Process for assigning Project-Based Vouchers. RHA will assign project-based vouchers to non-Public Housing properties owned or controlled by the Authority using this process:

9.1.2.1. Obtain environmental reviews through the City of Reno

9.1.2.2. Receive a passed HQS inspection.

9.1.2.3. Request Board Approval to assign project-based vouchers to these units without a competitive process

9.1.3. Within 10 days of the selection being finalized, RHA staff will deliver a letter to the Executive Director regarding the selection.

9.1.4. Setting rents. RHA will set initial rents for these units based on federal regulation and program requirements based on the funding source used to purchase/construct the unit. This may include setting rents at or below current HOME rents, Low Income Housing Tax Credit rents or payment standard.

9.1.5. Statutory Provisions Apply. Each of the provisions set forth in 24 CFR 983.4 apply to assistance under the PBV program. These include but are not limited to environmental review, fair housing, fraud, labor standards, and relocation assistance.

9.1.6. Equal Opportunity. The PBV program requires compliance with all equal housing opportunity requirements.

9.1.7. Non-smoking designation. All PBV units assigned under the non-competitive designation process will be designated as non-smoking units.

9.1.8. Specific PBV Definitions.

Admission. The point when the family becomes a participant in RHA's tenant-based or project-based voucher program (initial receipt of tenant-based or project-based voucher assistance). After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from RHA, a shift to the other form of voucher assistance is not a new admission.

Existing housing. Housing units that already exist at the time of Board approval of assignment of PBVs and that substantially comply with the HQS on that date. The units must fully comply with the HQS before execution of the HAP contract.

Multifamily building. A building with five or more dwelling units (assisted or unassisted).

PHA-owned unit. Non-Public Housing units owned/controlled by the Authority.

Responsible Entity (for Environmental Review). The unit of general local government within

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which the property is located that exercises land use responsibility or, if HUD determines this infeasible, the county, or if HUD determines that infeasible, the state.

9.1.9. Applicability of Tenant Based Program. Unless otherwise specified in the MTW PBV program, the policies for the Housing Choice Voucher program will apply.

9.1.10. Ineligible Housing Types. RHA will not consider any PBV assistance for RHA owned or controlled units deemed ineligible under 24 CFR 983.53 or in subsidized housing as defined in 24 CFR 983.54.

9.1.11. Other Programs Excluded. No Assisted Living, Congregate Care, or Board and Care properties will be considered for RHA's PBV program.

9.2. MOBILITY PROGRAM

9.2.1. RHA purchased dwelling units in low poverty areas and assigned a PBV to each unit.

9.2.2. Eligible families for the Mobility Program are selected and referred by Public Housing staff. Eligible families are placed on the Mobility transfer list.

9.2.2.1. As units become available, eligible families on the Mobility transfer list are referred based on bedroom size and are placed in a lottery.

9.2.2.2. Families are randomly selected and offered the available unit.

9.2.2.3. In the event a family denies a unit, they will be placed back on the Mobility transfer list for future selection of available units.

9.2.2.4. Families are eligible for a regular voucher after one year, under certain conditions.

9.2.2.5. Families who are eligible for the Mobility Program will have additional data collected on a yearly basis. If a family refuses to provide this data, this can be grounds for termination of assistance.

9.2.2.6. All properties designated as Mobility units are non-smoking units.

9.3. PARTNERSHIP PROGRAM

9.3.1. RHA partners with local nonprofit organizations and commits PBV to select RHA owned properties. All units are designated as non-smoking.

9.3.2. Families are referred by the partnering agency and must meet RHA eligibility requirements.

9.3.3. RHA will run criminal history and sex offender screening for all applicants referred.

9.3.4. Families must comply with all requirements of the referring agencies to remain eligible to receive continued housing assistance.

9.3.5. Families are required to meet RHA's occupancy standards.

9.3.6. Families are eligible for a regular voucher after one year, under certain conditions and must have the approval of the referring agency.

9.4. OTHER RHA OWNED UNITS

9.4.1. RHA assigned PBV to properties owned by the Housing Authority under a non-competitive process to increase the number of affordable units for low income families and provide additional opportunities for current RHA participants. All units are designated as non-smoking.

9.4.2. Families are eligible for a regular voucher after one year under certain conditions.

9.5. OCCUPANCY

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- 9.5.1. Referrals of Families Requiring Accessible Features. Applicants for RHA-owned properties waiting lists will be asked if they require accessible features and only those applicants will be referred to units with the required features. If there are units with accessible features available, and no families on the waiting list needing the features, the first eligible family on the waiting list will be referred to the unit.
- 9.5.2. Oral Briefing for Referral. An oral briefing must be given to any family who accepts an offer of PBV assistance. The briefing must contain the information set forth in 24 CFR 983.252.
- 9.5.3. Tenant Screening. RHA will screen applicants for RHA-owned PBV units under the same conditions as the Housing Choice Voucher applicants to ensure eligibility for the program, with the following exceptions: RHA will screen prior rental history suitability and credit.
- 9.5.4. Lease Required. The tenant must be able to enter into a lease and must execute a lease that complies with state and local law and has the HUD required tenancy addendum.
- 9.5.5. Absence from unit. Restrictions on absence from the unit will be the same as those for tenants in the Housing Choice Voucher Program.

9.6. SETTING RENTS FOR RHA OWNED PROPERTIES WITH PROJECT BASED VOUCHERS

[24 CFR 983.301 – 983.305]

- 9.6.1. Initial Rent. The initial rent is set at the beginning of the HAP contract term by RHA according to 9.1.4 of this plan.
- 9.6.2. Limitations on Rent. Except for certain tax credit units as set forth in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- 9.6.2.1. Amount determined by RHA, not to exceed the MAFMR for the unit bedroom size minus any utility allowance or
 - 9.6.2.2. The reasonable rent.
- 9.6.3. Limitations on Rents Set by Other Funding Sources. In the case of units receiving funding from other sources (e.g., LIHTC or HOME) described in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- 9.6.3.1. The rent of the applicable funding source minus any utility allowance, or
 - 9.6.3.2. The reasonable rent.
- 9.6.4. Redetermination of Rent. RHA will redetermine the rent in accordance with 24 CFR 983.302 only:
- 9.6.4.1. At the annual anniversary of the HAP contract, or
 - 9.6.4.2. When there is a ten percent or greater decrease in the published Fair Market Rents, or
 - 9.6.4.3. Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
 - 9.6.4.4. When the reasonable rent has changed (as set forth in 24 CFR 983.303(b)).
- 9.6.5. Requests for Rent Increases. Requests for rent increases must be submitted in writing by the RHA staff to the Rental Assistance department at least 60 days before the annual anniversary of the HAP contract. The request must specify the unit address, HAP contract date, the current rent and utility allowance, and the proposed rent and utility allowance.
- 9.6.6. Fair Market Rent Decrease. If the Fair Market Rent decreases ten percent or more a new

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determination of rent must be made consistent with 8.6.2 and 8.6.3 above. If this results in a decrease in the rent under 24 CFR 983.301(b) or (c), the rent must be decreased.

9.6.7. Rent Cannot Exceed Reasonable Rent. At no time may the rent exceed the reasonable rent. Accordingly, RHA must redetermine the reasonable rent:

9.6.7.1. When there is a ten percent or greater decrease in published Fair Market Rent.

9.6.7.2. When RHA approves a change in the allocation of responsibility for utilities.

9.6.7.3. Whenever there is any change that may substantially affect the reasonable rent.

9.6.8. Comparability Study. The determination of reasonable rent will be based on comparison rents for at least three comparable units in the private unassisted market. The study will be consistent with the requirements of 24 CFR 983.303(c). The comparable analysis must not be maintained or conducted by anyone who may have a direct or indirect interest in the property.

9.6.9. HUD Subsidy Layering Requirements. Rents must not exceed any limitation necessary to comply with HUD subsidy layering requirements.

9.7. HAP PAYMENTS FOR RHA OWNED PROPERTIES WITH PROJECT BASED VOUCHERS

9.7.1. HAP Contract Terms. Housing assistance payments will be made in accordance with the terms of the HAP contract. Payments will be made for the months during which a contract unit is leased and occupied by an eligible family.

9.7.2. Move-out Month. If an assisted family moves out of a unit, RHA may keep the housing assistance payment for the calendar month in which the family moves out if the vacancy was not RHA's fault.

9.7.3. Vacancy Payments. Vacancy payments for up to two full calendar month will be allowed from the beginning of the first calendar month after the move-out month:

9.7.3.1. The exact payment cannot exceed the monthly unit rent under the assisted lease, minus any portion of the rental payment received, including amounts available from the tenant's security deposit. Vacancy payments will be limited to the HAP paid on behalf of the family for the month prior to the termination of the lease.

9.7.3.2. The vacancy payment may cover only the period the unit remains vacant.

9.7.3.3. The payment will be made only if:

9.7.3.3.1. The Rental Assistance Department is provided with prompt written notice certifying that the family has vacated and include the date vacated;

9.7.3.3.2. The vacancy is not the fault of RHA and that the unit was vacant during the period claimed;

9.7.3.3.3. Every reasonable action has been taken to minimize the likelihood and length of vacancy; and

9.7.3.3.4. The Rental Assistance Department receives a written request and documentation regarding the vacancy.

9.7.4. Tenant Rent. The tenant rent (or portion of the rent paid by the family) will be determined by the Rental Assistance Department and this determination will be made in accordance with HUD requirements. Any changes will be effective on the date stated in a notice by the Rental Assistance Department to the family.

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- 9.7.5. Tenant Payment to RHA. The family is responsible for paying the tenant rent (total tenant payment minus utility allowance). RHA may not charge the family any additional amount for laundry services, maintenance, equipment or utilities.
- 9.7.5.1. RHA may not demand or accept any rent payment from the tenant in excess of the tenant rent determined by Rental Assistance Department, and must immediately return any excess payment to the tenant.
 - 9.7.5.2. RHA is not responsible for paying the tenant rent or for paying any other claim.
 - 9.7.5.3. RHA may not use housing assistance payments or other program funds to pay any part of the tenant rent or to pay any other claim.
 - 9.7.5.4. The Rental Assistance Department may not make any payment for any damage to the unit or for any other amount owed by a family under the lease or otherwise.
- 9.7.6. Other Fees and Charges. RHA may not charge the tenant or family members for meals, supportive services or items customarily included in the rent, and non-payment of such charges is not grounds for termination of tenancy.

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10. MANUFACTURED HOME SPACE RENTAL ASSISTANCE**10.1. PROGRAM PROVISIONS**

- 10.1.1. The housing authority may assist families that own a manufactured home and are renting the space under the manufactured home under this special housing type.
- 10.1.2. RHA may limit the number of families using this special housing type.
- 10.1.3. RHA will permit use of this special housing type if needed as a reasonable accommodation.
- 10.1.4. Manufactured Home Space Rent includes the monthly payment made by the family to amortize the loan for the purchase of the manufactured home and the space rent for the land the manufactured home sits on.
- 10.1.5. The payment standard used for a unit assisted under the manufactured home space rental special housing type is the same payment standard amount used for regular rental units under RHA's HCV program.
- 10.1.6. The monthly HAP for a manufactured home space rental is the lower of:
- Payment standard minus the family's total tenant payment; or
 - The rent of the manufactured home space (including other eligible housing expenses) minus the family total tenant payment.
- 10.1.7. The rent of the manufactured home space is the total of:
- 10.1.7.1. The rent charged for the manufactured home space;
- 10.1.7.2. Owner maintenance and management charges for the space the owner must provide under the lease;
- 10.1.7.3. Monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- 10.1.7.4. The applicable PHA utility allowances for tenant paid utilities.
- 10.1.8. Any increase in debt service due to refinancing after purchase of the home must not be included in the amortization cost of the monthly loan payment used to calculate the rent for purposes of the HAP calculation.
- 10.1.8.1. If the original loan debt service amount is more than the current debt service amount, the family uses the current loan debt service amount when calculating the HAP for the family.
- 10.1.8.2. If the original loan debt service amount is less than the current debt service amount, RHA will use the original loan debt service amount when calculating the HAP for the family.
- 10.1.8.3. RHA will use the current insurance and property tax amounts when calculating the HAP for the family.
- 10.1.9. When a family's loan payments end, the HAP will be recalculated to reflect the change in the "rent" and the change in the HAP will be effective the first of the following month the loan payments ended
- 10.1.9.1. Loan payments that end for any reason, including but not limited to the following

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will be subject to "rent" and HAP recalculation the first of the following month the loan payments ended.

10.1.9.1.1. The term of the loan repayment comes to an end and the family has repaid the loan in full.

10.1.9.1.2. The family (or another party) chooses to pay off the remaining balance on the loan and repay the loan in full before the end of the term of the monthly scheduled loan payments.

10.1.9.1.3. The family has stopped making the scheduled monthly loan payments for any reason (including the lender's deference or forbearance of the loan). If the family recommences making monthly loan payments, RHA will adjust the HAP accordingly.

10.1.10. The utility allowance for tenant-supplied utilities are the applicable utility allowances from RHA's utility allowance schedule.

10.1.11. RHA will pay the HAP on manufactured home space rent directly to the owner of the manufactured home space.

10.1.12. RHA will pay any additional HAP balance directly to the family. The family is responsible for paying the full amount of their remaining housing costs (e.g. monthly loan payment, utilities) directly to the lender and utility provider.

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11. BRIEFING SESSIONS

[24 CFR 982.301 & 982.302]

11.1. PURPOSE

The purpose of the briefing session is to advise eligible households of Voucher Program requirements and to make those households aware of rental practices in the private market.

- 11.1.1. Sessions will be conducted either in-person or remotely utilizing technology that provides opportunities for participants to ask questions of the facilitator. Those with disabilities or without access to the technology necessary to attend a remote briefing session will be accommodated with proper documentation.
- 11.1.2. Session Goal. The goal of each briefing session is to enable the household to fully understand all aspects of the program which will affect them; assist them in all possible methods which can be utilized in looking for a unit; advise them of the best approach to take with owner/manager in order to secure a lease; build communication and rapport with each household.
- 11.1.3. Spanish-speaking Sessions. Spanish sessions will be scheduled as necessary. Forms will be provided in Spanish as necessary.
- 11.1.4. Households with disabilities. Upon request of the household, the RHA will conduct briefings based on the household member's disability.
- 11.1.5. Required attendance. RHA will encourage all adult household members to attend the briefing; however, only the head of household is required. Should adult household members fail to attend, they will be required to sign a form acknowledging that they read the information provided to the head of household and agree to abide by it.
- 11.1.6. Missed Appointments and Rescheduling. Applicants who provide prior notice of inability to attend a briefing will automatically be rescheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval of RHA, may be denied admission based on failure to supply information needed for certification.

11.2. SUBJECT MATTER

A full explanation of the items described in 9.3 and 9.4 will be provided to assist households in finding suitable housing and advise households of their responsibilities and the responsibilities of the RHA and owner/manager. Adequate opportunity will be provided to ask questions and discuss the subject matter.

Each briefing session will be as thorough as necessary to allow all households issued Vouchers adequate opportunity to understand the concepts of the program and their responsibilities and obligations thereunder. Households who attend group briefings and still have the need for individual assistance will be referred to the Housing Specialist.

11.3. BRIEFING OF HOUSEHOLD

When a household is selected to participate in a voucher program, RHA must give the household an oral briefing. RHA will conduct separate briefing sessions for applicants selected for the Housing Choice Voucher program, Project Based Voucher program, HUD-VASH Voucher program, and Foster Youth to Independence voucher program. The briefing must include information on the following subjects:

- A description of how the program works including the term of the voucher
- Household and owner responsibilities
- Information on selecting a unit
- A list of landlords accepting vouchers as well as other resources

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- Where the household may lease a unit, including renting a dwelling unit inside or outside RHA's jurisdiction of Washoe County.
- Portability procedures for HCV households (see portability in Chapter 14) including an explanation of how portability works. RHA may not discourage the household from choosing to live anywhere in RHA's jurisdiction, or outside that jurisdiction under portability procedures.
- The advantages of moving to an area that does not have a high concentration of poor households.
- In briefing a household that includes any disabled person, RHA must take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6.

RHA will reconfirm the household's composition and critical information about income and allowances. If significant changes have occurred, the file will be returned to the Admissions office to verify all changes and be re-certified.

11.4. INFORMATION PACKET

When a household is selected to participate in the program, RHA will give the household a packet that includes documents and information that comply with all HUD requirements. RHA also includes other information and/or materials which are not required by HUD. This information is on the following subjects:

- The term of the Voucher, and RHA policy on any extensions and suspensions of the term
- Where the household may lease a unit and information on and an explanation of how portability works
- Household obligations under the program, including the grounds on which RHA may terminate assistance for a participant household because of household action or failure to act
- The HUD-required Tenancy Addendum
- How RHA determines the housing assistance payment for a household and the maximum rent for an assisted unit, information on the payment standard, and the utility allowance schedule
- "A Good Place to Live" brochure on how to select a unit: what the household should consider in deciding whether to lease a unit (the condition of the unit, whether the rent is reasonable, the cost of any tenant-paid utilities and whether the unit is energy-efficient) and the location of the unit (proximity to public transportation, centers of employment, schools and shopping)
- "Protect Your Family from Lead in Your Home" brochure on lead-based paint
- Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. RHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, as well as the phone numbers of the local fair housing agency and the HUD enforcement office
- A list of owners/managers or other parties known to RHA who may be willing to lease a unit to the household, or help the household find a unit
- The Request for Tenancy Approval form
- A statement of the policy on providing information about a household to prospective owners
- RHA subsidy standards, including when RHA will consider granting exceptions to the standards, how the voucher size relates to the unit size selected, and rent reasonableness
- Notice that if the household includes a disabled person, the household may request a current listing

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of accessible units known to RHA that may be available

- Informal hearing procedures which describe when RHA is required to give a participant household the opportunity for an informal hearing, and how to request a hearing
- Violence Against Women Act (VAWA) HUD Notice of Occupancy Rights (HUD-5380) and accompanying certification form (HUD-5382).

11.5. VOUCHER ISSUANCE RECORDS

11.5.1. RHA will maintain a system to ensure that it will be able to honor all outstanding Vouchers within its Annual Contributions Contract authorization and that it will comply, to the maximum extent feasible, with the unit distribution in the said Contract.

11.6. RHA'S POLICY ON RELEASE OF TENANT INFORMATION

In accordance with 24 CFR 982.307(b)(1)(2)(3), RHA is required to provide prospective owners/managers with the address of a voucher applicant and the names and addresses of the current and previous owners/managers, if known, when requested. RHA will inform owners/managers that it is their responsibility to determine the suitability of prospective tenants. Owners/managers will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the household's suitability as a tenant. Upon request, RHA will provide documented information regarding tenancy history for the past five years to prospective owners/managers. RHA may provide oral or written tenant/household information for the last five years, based on documentation in its possession, of the information above and the list below:

- Balance of money owed
- Termination for violation of family obligations and reasons for the termination
- Damages caused to a unit
- Involvement with fraud, bribery, or other corrupt or criminal acts
- Serious or repeated violation(s) of the signed lease agreement
- Drug trafficking by household members

RHA will limit the release of information to the above items.

RHA will make an exception to this requirement if the household's whereabouts must be protected due to domestic abuse or witness protection. This policy on providing information to owners/managers is included in the voucher programs briefing packets and will apply uniformly to all tenants/households and owners/managers.

If an assisted household moves out of a unit owing money to a previous landlord, RHA will release the household's current address, if known, to the previous landlord.

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~~December 1, 2023~~ March 1,**12. INSPECTIONS AND RENT REASONABLENESS**

[24 CFR 982.401]

12.1. INSPECTION REQUIREMENTS

It is the responsibility of RHA to ensure all units on the voucher program meet Housing Quality Standards (HQS) following HUD's approved inspection protocols, including National Standards for the Physical Inspection of Real Estate (NSPIRE).

- 12.1.1. In order to ensure compliance with this regulatory requirement, RHA staff will perform an initial inspection prior to execution of the lease and contract, a biennial inspection during continued occupancy, special inspections as requested by tenants or owner/managers, and quality control inspections to ensure that inspections are being conducted in accordance with HUD and RHA guidelines. These inspections will be conducted on all units assisted with a voucher.

12.2. INITIAL INSPECTIONS

Upon receipt of a completed and signed Request for Tenancy Approval (RFTA), staff will contact the owner/manager of the unit to schedule an inspection. For RHA protection, the owner/manager will sign the initial inspection form.

- 12.2.1. Staff will perform the inspection using either HUD Form 52580, Inspection Form, filling out the form completely OR a mobile inspection device which interfaces with HUD Form 52580.
- 12.2.2. If the unit fails the inspection, the owner/manager will be notified in writing of the deficiencies and what repairs must be made to meet Housing Quality Standards. Repairs shall be made within 14 days.
- 12.2.2.1. If the owner/manager agrees to perform the required repairs, a re-inspection will be scheduled after repairs are made to determine if the unit now meets HQS.
- 12.2.2.2. If the owner/manager refuses to perform the required repairs, it shall be noted on the inspection form and the tenant will be notified of their need to locate another unit.
- 12.2.3. If RHA conducts an initial inspection and the tenant never moves in, the inspection results may be used for a subsequent RFTA submitted within 45 days, provided no one has occupied the unit in the interim.

12.3. BIENNIAL INSPECTIONS

RHA will conduct the HQS inspection biennially during assisted occupancy for all households, with biennially defined as within two years from the date of the last passed inspection. If the RHA is unable to gain access to the unit on or before this date due to delays caused by the household, the file will be recommended for termination.

- 12.3.1. Households and landlords will be notified in writing that the biennial HQS inspection is due within the upcoming 14 days. Included in the notice will be the scheduled date for the inspection.
- 12.3.1.1. If the household is claiming an illness and requests to reschedule the inspection or refuses entry at the time of inspection, RHA will automatically reschedule the inspection approximately two (2) weeks later.
- 12.3.1.1.1. If the household continues to claim illness and requests further rescheduling of the inspection, RHA may require a doctor's note or other similar documentation.
- 12.3.1.1.2. If the household fails to provide the requested documentation, the file may be recommended for termination.

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- 12.3.2. Staff will perform the inspection using either HUD Form 52580, Inspection Form, filling out the form completely OR a mobile inspection device which interfaces with HUD Form 52580.
- 12.3.3. If the unit fails the inspection, both the tenant and the owner/manager will be notified in writing of the deficiencies and what repairs must be made to meet HQS. Repairs shall be made within 30 days unless the failed item is deemed life-threatening.
- 12.3.3.1. If there are life-threatening deficiencies which present an immediate danger to the health and safety of the household, both the tenant and the owner/manager will be notified in writing and all other methods available to RHA that the deficiency must be corrected within 24 hours.
- 12.3.3.2. The items that are considered life-threatening deficiencies can be found in Appendix 6.
- 12.3.3.3. The inspector will indicate for each failed item if it is the responsibility of the tenant or the owner/manager to complete the repairs. This is not an indication of which party caused the item to fail, and does not prevent an owner/manager from charging the tenant for the repairs (if that is something permitted in their lease agreement).
- 12.3.3.4. In the case of failed items related to the presence of bed bugs, the owner/manager will be required to show proof that treatment has been provided in order to resolve the failed item. As long as treatment is being provided, continued presence of bed bugs will not necessarily constitute a fail.
- 12.3.3.4.1. If the owner can show they have been attempting to provide treatment for bed bugs and the tenant has not been in compliance, this will be considered a tenant-responsible item and the file may be recommended for termination.
- 12.3.4. RHA staff will schedule a re-inspection of the unit within no more than 30 days from the initial fail date to determine if the deficiencies have been corrected.
- 12.3.4.1. In lieu of scheduling a reinspection, RHA may provide the participant and/or the owner/manager with a Self-Certification form to be completed for non-life-threatening items. This form must be returned to RHA to consider the deficiencies corrected.
- 12.3.5. If the owner/manager does not take the required corrective action within the specified time period, RHA will abate the Housing Assistance Payment beginning 30 days after the first failed inspection and continuing until the unit passes inspection or the contract is canceled.
- 12.3.5.1. For 24-hour life-threatening items, if the owner/manager does not take the required corrective action within the specified time period, RHA will abate the Housing Assistance Payment beginning the day of the first failed inspection and continuing until the unit passes inspection or the contract is canceled.
- 12.3.6. RHA will re-inspect the unit within five days of the owner/manager's contact with RHA to report the correction of the deficiencies, or if the landlord fails to contact the RHA, no later than 30 days from the date of the second failed inspection. The abatement will end the day of the owner/manager's call if the unit then meets HQS. No retroactive payments will be made for the period the unit was in abatement. The tenant will not be held responsible for the amount of the abatement.
- 12.3.7. If more than two inspections are required, the RHA may charge a \$75 inspection fee on each additional inspection as approved in the FY2016 MTW Annual Plan if the remaining items are the responsibility of the owner/manager. The tenant will not be held responsible for these fees.

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- 12.3.8. If the owner/manager still fails to take the required corrective action within 30 days after the beginning of abatement of the Housing Assistance Payment, RHA may terminate the contract in accordance with the Housing Assistance Payment Contract. While the termination notice is running, the abatement will remain in effect.
 - 12.3.9. If the HAP Contract is terminated as the result of the owner/manager failing to correct Housing Quality Standards deficiencies, the household will be notified in writing that they must move and will be issued a Voucher.
 - 12.3.10. If the tenant fails to correct the tenant responsible deficiencies within 30 days from the initial inspection, RHA will initiate termination of housing assistance for HQS breach.
 - 12.3.11. Owners and households may be given extensions to cure HQS breaches. The inspector may give an extension of up to 30 days. Any extension of more than 30 days must be approved by the Director of Rental Assistance or designated staff.

12.4.SPECIAL INSPECTIONS

There may be circumstances other than the initial and biennial inspections which require RHA staff to determine a unit's compliance with Housing Quality Standards as follows:

- 12.4.1. Complaints from participating households, owner/managers or other sources, i.e., Health Department, Building Inspector or HUD regarding the unit's condition or lack of maintenance and services by the responsible parties. If the unit fails the inspection, paragraphs 10.3.2 through 10.3.10 will apply.
- 12.4.2. Owner/manager requests to determine if a unit qualifies for potential participation. Such preliminary inspections may not be considered as substitutions for required initial inspections that may result from receipt of an RFTA.
- 12.4.3. RHA staff may inspect a unit for reasons other than determining compliance with Housing Quality Standards, i.e., verifying reports of abandoned units or occupants not on the lease agreement.
- 12.4.4. For complaints of serious deficiencies which present an immediate danger to the health and safety of the household, e.g., exhaust fumes from the heating system, propane, natural gas or methane gas smell, missing or inoperable smoke detector, missing electrical panel cover and/or exposed wires, disconnected hot water tank, disconnected HVAC or lack of heat in winter, the owner/manager will be notified in writing that the deficiency must be corrected within 24 hours.
 - 12.4.4.1. If the owner/manager does not take the required corrective action within the 24 hour time period, RHA will abate the Housing Assistance Payment beginning 24 hours from the date of the initial inspection until the deficiency has been corrected.

12.5.QUALITY CONTROL INSPECTIONS

HUD requires reinspection of a percentage of approved units. These re-inspections will enable RHA to provide assurances that only those units that meet Housing Quality Standards are approved; to catch inadvertent errors by inspectors; to provide general and specific information concerning the level of competence and consistency of the inspection staff; to encourage higher performance by inspectors.

- 12.5.1. Appropriate and assigned staff will randomly select a representative sample of the units for reinspection. These units to be re-inspected will include initial, annual and special inspections.
- 12.5.2. Tenants and owner/managers will be notified in writing that their unit has been selected for a Quality Control reinspection.
- 12.5.3. Staff will perform the inspection using HUD Form 52580, filling out the form completely.

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- 12.5.4. If the unit fails the inspection, paragraphs 10.3.2 through 10.3.10 will apply.
- 12.5.5. If the unit fails the inspection and it appears the unit failed at the time of the initial, annual or special inspection, a report will be completed to include information on inspector's name, nature of the deficiency, corrective action required and follow up.
- 12.5.6. Quality Control Inspections will be maintained in a separate inspection file and utilized for audits, training and monitoring effectiveness of the inspection process.

12.6. RENT REASONABLENESS TEST

- 12.6.1. For units owned by RHA, in accordance with HUD regulations RHA staff will utilize AffordableHousing.com to perform the rent reasonableness determinations.
- 12.6.2. For all other units, RHA has contracted with AffordableHousing.com to certify and document on a case-by-case basis that the rent to owner for each unit for which a lease has been approved is reasonable in relation to and does not exceed rents currently being charged for comparable units in the private unassisted market.
- 12.6.3. RHA may choose to waive the requirement for a rent reasonableness determination if the new requested rent amount is less than the current payment standard.
- 12.6.4. For shared housing dwelling units, in accordance with HUD regulations, the rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit.
- 12.6.5. Three comparable rents will be obtained for each contract executed and documents kept in the participant's folder. The average of these three rents will be used as the approved contract rent. AffordableHousing.com will document the following and RHA staff will review and approve the following:
- Number of bedrooms and bathrooms
 - Square footage of unit
 - Approximate date built
 - Type of unit such as single family, duplex, garden apartment, high-rise, townhouse
 - Type and condition of exterior walls
 - Utilities which are/are not included in rent
 - Extent to which unit meets Housing Quality Standards
 - Extent to which management and maintenance services are included in rent
 - Amenities such as dishwasher, air conditioning, extra bath, energy efficient, extra room, swamp cooler, washer/dryer, hookups only, cable television, or furnished facilities such as covered parking, fenced yard, recreation facilities
- 12.6.6. If requested, the owner/manager must give RHA information on rents charged by the owner/manager for other units in the same complex or elsewhere. By accepting the Authority's monthly Housing Assistance Payment, an owner/manager certifies that rent for a voucher unit does not exceed the rent charged by the owner/manager for comparable unassisted units in the same complex.
- 12.6.7. Owner/manager rents may also be limited when the unit is subject to rent control under local law; rent restrictions under the rules for the HUD HOME program; for project-based certificate units to ensure that an owner does not receive excessive subsidy; and at the discretion of RHA because of

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other governmental subsidies in addition to voucher assistance.

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~~December 1, 2023~~ March 1,**13. LEASE APPROVAL AND HAP CONTRACT EXECUTION**

[24 CFR 982.302, 305, 306, 307 & 308; 982.353]

13.1. DOCUMENT REVIEW

13.1.1. The household will be required to turn in the Request for Tenancy Approval (RFTA) prior to the expiration of the Voucher. An owner/manager lease must be in the standard form used in the locality. The lease must be for an initial term of at least one year and contain terms that are consistent with state and local laws and must include the HUD-required Tenancy Addendum.

13.1.2. Lease Preparation. When the lease is submitted, it must specify:

- The names of the owner and tenant;
- The address of the unit rented (including apartment number, if any);
- The amount of the monthly rent to owner;
- The initial term of at least one year and subsequent terms (e.g. month to month);
- The utilities and appliances to be supplied by the owner;
- And the utilities and appliances to be supplied by the household.

13.1.3. RHA may not approve a unit for lease if the owner is the parent, child, grandparent, grandchild, sister or brother of the Voucher holder who is seeking to rent the unit.

13.1.4. If a Voucher holder who is disabled requests to lease from a family member and can provide documentation that leasing his/her unit is essential to the disability, RHA may determine the leasing to be a reasonable accommodation. The unit must meet HQS and the rent reasonable test.

13.1.4.1. This policy applies to new admissions and to moves with continued assistance.

13.1.5. House Rules of the owner may be attached to the lease as an addendum, provided they are approved by RHA to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.

13.1.6. The owner/manager must prepare the lease for execution.

13.1.7. RHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.

13.1.7.1. The household and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law.

13.1.7.2. The HUD prescribed tenancy addendum must be included in the lease word-for-word.

13.2. SEPARATE AGREEMENTS

Owner/managers and tenants may execute agreements for services, appliances (other than for range and refrigerator) and other items outside those which are provided under the lease if the agreement is in writing and approved by the Authority.

13.2.1. Any appliance, service or other items which is routinely provided to non-subsidized tenants as part of the lease (such as air conditioning, dishwasher or garage) or is permanently installed in the unit cannot be put under separate agreement and must be included in the lease. For there to be a

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separate agreement, the tenant must have the option of not utilizing the service, appliance or other item.

- 13.2.2. RHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.
- 13.2.3. If the tenant and owner/manager have come to an agreement on the amount of charges for a specific item, so long as those charges are reasonable and not a substitute for a higher rent, they will be allowed. Costs for seasonal items can be spread out over 12 months.
- 13.2.4. RHA will not approve separate agreements for modifications to the unit for persons with disabilities. The modifications are usually within the dwelling and are critical to the use of the dwelling.
- 13.2.5. Copies of all separate agreements must be provided to RHA.

13.3.DISAPPROVAL OF OWNER

[24 CFR 982.306]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party. RHA will disapprove the owner for the following reasons:

- HUD has informed RHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed RHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed RHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.
- Owner may not be a parent, child, grandparent, grandchild, sister or brother of any household member. RHA may waive this restriction as a reasonable accommodation for a household member who is a person with a disability. In cases where the owner and the tenant bear the same last name, RHA may, at its discretion, require the household and/or owner to certify whether they are related to each other in any way.
- The owner has violated obligations under a Housing Assistance Payments contract.
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- The owner has engaged in drug-related criminal activity or any violent criminal activity.
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under the voucher programs or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of RHA, or of owner

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employees or other persons engaged in management of the housing.

- Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
 - Is drug-related criminal activity or violent criminal activity;
 - The owner has not paid State or local real estate taxes, fines or assessments.
 - The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
- 13.3.1. Owner Restrictions and Penalties [24 CFR 982.453]. If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, RHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. RHA may also terminate some or all contracts with the owner. Before imposing any penalty against an owner RHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

13.4.TENANCY APPROVAL/DISAPPROVAL

After RHA has reviewed the Request for Tenancy Approval (RFTA), certified and documented rent reasonableness, conducted an inspection and passed the unit, RHA will approve the tenancy. If RHA determines that the tenancy cannot be approved for any reason, the owner/manager and the family will be notified, and the reasons provided.

- 13.4.1. If the unit fails inspection, RHA will provide the owner/manager with a detailed list of items that must be corrected and provide the owner/manager a reasonable period of time to make the repairs (see Chapter 10).
- 13.4.2. RHA will not permit the household to submit more than one RFTA at a time.
- 13.4.3. The RFTA must be signed by both the owner and voucher holder.
- 13.4.4. RHA will review RFTA documents to determine whether or not they are approvable. The request will be approved if:
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan);
 - The rent is reasonable;
 - The security deposit is approvable in accordance with any limitations in this plan;
 - The proposed lease complies with HUD and RHA requirements;
 - The owner is approvable, and there are no conflicts of interest.
- 13.4.4.1. In addition to the above, at the time a household initially receives assistance in a new unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the household, the household share of rent may not exceed 40 percent of the household monthly adjusted income (See 'Rent to Owner, Rent Reasonableness and Payment Standards' sections of this Administrative Plan).
- 13.4.5. If RHA determines that the request cannot be approved for any reason, the landlord and the household will be notified verbally or in writing. RHA will instruct the owner and household of the steps that are necessary to approve the request.
- 13.4.6. When, for any reason, a RFTA is not approved, RHA will furnish another RFTA form to the household along with the notice of disapproval so that the household can continue to search for

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eligible housing.

13.5.HAP CONTRACT EXECUTION

RHA prepares the Housing Assistance Contract for execution.

- 13.5.1. Prior to HAP Contract execution and after receipt of a Request for Tenancy Approval, RHA will provide to prospective owners/managers the information noted in Section 8, Release of Tenant/Household Information if requested.
- 13.5.2. If the tenancy is approved, RHA will prepare the HAP Contract and the tenancy addendum. To prepare the documents, RHA will compute the Total Tenant Payment (TTP), tenant rent, utility reimbursement (if any), and the Housing Assistance Payment (HAP).
- 13.5.3. Security Deposit. In the voucher program, the security deposit will be set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner's unassisted units.
- 13.5.4. Owner/managers must provide current address and phone number of the management agent if the property is managed by a management agent. The owner/manager must also complete and submit an IRS form W-9 with his/her tax ID number or social security number prior to the execution of the HAP Contract.
- 13.5.5. Once the documents are prepared, RHA will get the documents executed by the family, owner/manager and RHA, as appropriate, and send copies to each party. The owner/manager and Director of Rental Assistance or designee will execute the HAP Contract and tenancy addendum within 60 days. No payments will be made until the contract is executed.
- 13.5.6. RHA may offer a "signature briefing," especially where new owner/managers are involved, to be attended by the owner/manager and tenant, where responsibilities of both parties will be discussed prior to signing of the contract.

13.6.MAKING PAYMENTS TO OWNERS

- 13.6.1. Once the HAP contract is executed, RHA begins processing payments to the landlord. An RHA Register will be used as a basis for monitoring the accuracy and timeliness of payments. Checks are disbursed by the Administration Department to the owner each month.
 - 13.6.1.1. Checks may not be picked up by the owner at RHA without permission from the Director of Administration or designated staff.
 - 13.6.1.2. Checks will only be disbursed on the first business day of the month. Exceptions may be made with the approval of the Executive Director in cases of hardship.
 - 13.6.1.3. Checks that are not received will not be replaced until a written request has been received from the payee and a stop payment has been placed on the check.
- 13.6.2. Excess Payments. The total of rent paid by the tenant plus RHA housing assistance payment to the owner may not be more than the rent to the owner. The owner must immediately return any excess payment to RHA. Owners who do not return excess payments will be subject to penalties.
- 13.6.3. Late Payments to Owners. RHA will pay up to 5% of the contract rent as late fee to the owner for Housing Assistance Payments that are not mailed to the owner by the fifth business day of the month, if requested by owner.
 - 13.6.3.1. RHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond RHA's control, such as a delay in the receipt of program funds from HUD. RHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty. RHA will not

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use any program funds for the payment of late fee penalties to the owner.

13.7.TRANSFERS OF CONTRACTS

- 13.7.1. Voucher Program. When an owner/manager transfers the Contract to a new owner/manager, in accordance with the Housing Assistance Payment Contract; and when an owner changes property management agents, they must give RHA at least 30 day notice in writing before the effective date of the change. Failure to give proper notice may result in inappropriate 1099s and/or delays in providing payment to the proper party.
- 13.7.2. In the case of failure to provide proper notice to the RHA of a change in ownership/management resulting in improper payments, the party who received the payment will be responsible for turning over funds to the new owner/manager.

13.8.CHANGE IN OWNERSHIP

- 13.8.1. A change in ownership does not require execution of a new contract and lease.
- 13.8.2. RHA may approve the assignment of the HAP Contract at the old owner's request. RHA may approve the assignment, since they are a party to the contract. RHA may deny approval of assignment of the contract, for any of the reasons listed in Section 11.3 of this Chapter.
- 13.8.3. RHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed, and the employee identification number or social security number of the new owner.

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14. RENT TO OWNER ADJUSTMENTS -- ANNUAL AND SPECIAL

[24 CFR 982.451]

14.1. VOUCHER TENANCY PROGRAM

Owners may not request rent to owner adjustments in the Voucher program to be effective prior to the expiration of the first year of the lease nor more than once in a 12-month period thereafter. The owner must notify RHA at least 60 days prior to the effective date of the anticipated increase. RHA will conduct a rent reasonable comparison if needed and approve or disapprove the new rent accordingly. The owner and the client will be notified of the decision. If the rent is not reasonable, the owner may accept the recommended rent, or not renew the lease, or terminate the tenancy for "other good cause." If the owner terminates the tenancy, RHA will begin the transfer process in accordance with Chapter 14.

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~~December 1, 2023~~ March 1,**15. RE-EXAMINATION OF TENANT ELIGIBILITY & REDETERMINATION OF HOUSEHOLD INCOME, ASSETS & ALLOWANCES**

[24 CFR 982.516 and 5.216]

This chapter defines RHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting. To determine the amount of income-based rent, it is necessary for RHA to perform a reexamination of the household's income. Between regular annual reexaminations, HUD requires that families report all changes in household composition, but RHA decides what other changes must be reported and the procedures for reporting them.

Elderly/ disabled households whose sole income is comprised of income that only changes with cost-of-living increases will be allowed to participate in triennial re-certifications. Near-Elderly households do not qualify to participate in triennial re-certifications. These households, with stable income sources that include and are limited to Social Security benefits, Supplemental Security Income (SSI), Social Security Disability (SSD), and pensions, will have their income recertified once every third year, rather than annually.

When a household reports changes, completes annual recertification documents, or submits any other required information to the RHA, an electronic submission and/or a signature on a paper document constitutes certification of the accuracy of the information provided.

15.1. ANNUAL RE-EXAMINATIONS

Participants in voucher programs will have their household income recertified annually or triennially. This recertification will include a re-examination of continued eligibility, household composition and a redetermination of household income, assets and allowances.

15.1.1. Annual Recertification of Eligibility. Concurrent with the redetermination of household income, RHA will determine if the household is eligible for continued assistance (see Section 2.2). The income limits do not apply as criteria for continued eligibility at the time of annual recertification. However, based on household income, if the amount payable by the household equals the gross rent for the unit occupied, the contract may be continued for 365 days with zero Housing Assistance Payments and then will be terminated unless, at any time during the 365-day zero HAP period, the household reports a change in circumstances whereby a Housing Assistance Payment would be paid prior to the expiration of the 365-day period. Households may self-certify income during the 365-day zero HAP period.

- 15.1.1.1. During the 365-day period in which the amount payable by the household equals the gross rent for the unit occupied (zero HAP period), the RHA will set aside 15% of the contract rent for the occupied unit in an escrow savings account each month. The total of the escrow savings account will be made payable to the household at the conclusion of 365 consecutive days of receiving zero assistance from the RHA and when the household transitions off of the Voucher program.
- 15.1.1.2. The escrow accrual will begin the first month that the family reaches zero HAP and will accumulate monthly for no more than 12 months.
- 15.1.1.3. If at any time during the 365-day zero HAP period, the RHA resumes providing HAP to the household, the full amount accrued in the escrow savings account will be forfeited and the escrow accrual starts over from zero if/when the household reaches zero HAP again.
- 15.1.1.4. If the family chooses to move off of the program at any time during the 365-day zero HAP period, RHA will allow them to move off of the program with the amount accumulated in the escrow savings account as of the date of the move off notice.

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- 15.1.1.5. Escrow accrual during the 365-day zero HAP period is subject to funding availability and payouts will be limited to one per lifetime for all adults within the household at the time the escrow accrual is paid to the family. Households receiving a payout will be subject to a 3-year wait period before being eligible to reapply for housing assistance through the RHA.
- 15.1.1.6. Participants of the FSS program will be eligible for only one escrow final disbursement of funds consisting of only funds accrued during participation in the FSS program.
- 15.1.2. Annual Redetermination of Household Income. Three months prior to the end of the tenant's first year of participation, and each year thereafter, staff will redetermine household income, assets and allowances.
- 15.1.2.1. All such households will receive written notification of their required annual redetermination. This notice will include:
- The date and time of the interview except in cases where the redetermination is being conducted by mail or electronically.
 - The documents that must be brought with them to the interview or provided within the required time frame
- 15.1.2.2. The re-examination interview will be thorough and review each item of information applicable to the household including, but not limited to, household composition, income and asset information, qualification for standard medical deduction and child care expenses. Staff will give the tenant household an estimate of the tenant rent, subject to verification, and the effective date. Upon verification of all applicable information (see Chapter 4), the Total Tenant Payment, tenant rent and HAP are computed. RHA will notify the tenant in a Notice of Rent Change no later than 30 days before the effective date. A copy will be mailed to the owner/manager.
- 15.1.2.3. Failure to complete recertification.
- 15.1.2.3.1. When a household misses one appointment, the appointment will be rescheduled and notice sent to the tenant. The notice will state that failure to appear for the second appointment will result in termination of rental assistance. When a household misses the second appointment, a letter will be sent to the tenant, with a copy to the owner/manager, stating that assistance will be terminated in 30 days.
- 15.1.2.3.2. If a household fails to complete the electronic or mail certification within 30 days of the first notification, a second notice will be sent to the household reminding them to complete the recertification process. The notice will state that failure to complete the recertification process within the next 30 days will result in the termination of housing assistance.
- 15.1.2.4. Persons with disabilities or who lack the technology required to complete their electronic recertification may request an alternative means of recertification.
- 15.1.2.5. When households move to another dwelling unit between examinations, the anniversary date for the recertification will not be changed.

15.2.TRIENNIAL RE-EXAMINATIONS

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- 15.2.1. Elderly/disabled households with stable income sources that are limited to Social Security benefits, Supplemental Security Income (SSI), Social Security Disability (SSD), and pensions, will have their income recertified every third year, rather than annually. An annual recertification may be requested within 14 days of notification that an annual recertification is not required.
- 15.2.2. Triennial recertifications will be conducted through the mail or electronically. Upon receipt of the recertification documentation, RHA staff will review each item of information applicable to the household including, but not limited to, household composition, income and asset information, eligibility for standard medical deduction and childcare expenses. Staff will send the household an estimate of the tenant rent, subject to verification, and the effective date.

15.3. INTERIM RE-EXAMINATIONS

All participants are required to report any increase or decrease in assets or income, or any change in household composition or circumstances within 30 calendar days of the change and are advised of this at the time of their initial briefing session and again at their annual re-examination. When a household reports a change, the head or co-head will complete a form and indicate on the form what has changed. The Housing Specialist may choose to interview the household in person or by telephone to obtain all the information required to process a change.

Notices of rent changes must be sent to the household and owner/manager. Increases in the client's portion of rent require at least a 30-day notice. If the household fails to report timely, a 30-day rent increase notice will be given; however, the household will be charged for the overpaid assistance retroactively to the month the change would have occurred if reported timely, except in instances where a delay in RHA processing has caused an undue accumulation of debt. Rent decreases do not require 30 days' notice.

15.3.1. Decreases in income.

When a household reports a change in writing within the 30 calendar days after the date of the change that would result in a rent decrease, RHA will make the appropriate change to be effective the first day of the month following the date of the change. Verification of the decrease will be requested.

- 15.3.1.1. The written report must be received by the RHA within 30 calendar days of the reported change.
- 15.3.1.2. When a household does not report the change within 30 calendar days of the change, the rent decrease will be effective the first day of the month following the date the household reported the change.
- 15.3.1.3. Because rent is based on annual income, the decrease must be of at least 30 calendar days duration to substantially alter the annual income and process the decrease.
- 15.3.1.4. A resident's monthly contribution to rent will not be decreased where a decrease in income is the result of non-compliance with the conditions of housing assistance, or where housing assistance is decreased due to fraud.
- 15.3.1.5. For new participants and current clients who are moving in or transferring, rent decreases will be effective the first of the month following lease-up, if reported timely.

15.3.2. Increases in Income.

When the household's monthly income increases from an additional or different source of income, a rent increase will be processed to be effective the first day of the second month following the month in which the change occurred, or after 30 days, whichever is later.

- 15.3.2.1. Increases in the same source of income will not be processed until the next annual

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re-examination.

15.3.2.1.1. Same source income is defined as:

- Annual increases in Social Security, pensions and similar periodic payments.
- Employment that is part-time to part time or full-time to full-time, regardless of employer.

15.3.2.1.2. Same source income does not include:

- Changes in Social Security type, for example a change from SSI to SSD, will not be termed same source.
- Changes in method of payment for employment will not be considered same source, for example; changing from a commissioned employee to an hourly wage earner or part-time to full-time status change with the same employer will not be considered same source.

15.3.2.1.3. Part-time and full-time employment will be defined by the employer.

15.3.2.1.4. If the employer verification does not specify part-time or full-time employment, the RHA will use the following guidelines.

- Part-time employment is defined as less than 40 hours per week.
- Full-time employment is defined as 40 hours or more per week.

15.3.3. Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615].

15.3.3.1. RHA will not reduce the household share of rent for households whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of fraud in connection with the welfare program, or noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program. However, RHA will reduce the rent if the welfare assistance reduction is a result of a situation where the household has complied with welfare program requirements but cannot or has not obtained employment.

15.3.4. Interim changes may also be initiated by RHA if circumstances warrant such actions. Examples include but are not limited to; addition or removal of a household member, tenant failure to report accurate or complete information, temporary unemployment, unstable or sporadic income.

15.4. CERTIFICATION OF ACCURACY

15.4.1. When a household reports changes, completes annual recertification documents, or submits any other required information to the RHA, an electronic submission and/or a signature on a paper document constitutes certification of the accuracy of the information provided.

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~~December 1, 2023~~ March 1,**16.REMOVAL AND ADDITION OF HOUSEHOLD MEMBERS****16.1.REMOVAL OF HOUSEHOLD MEMBERS**

16.1.1. In the case of removal of the Head of Household, Co-Head or Spouse:

16.1.1.1. RHA requires a notarized statement from the individual requesting to be removed or the individual may meet with RHA staff with their current photo identification and make a written statement removing themselves from the assistance.

16.1.2. In the case of removal of an adult household member other than the Head of Household, Co-Head or spouse:

16.1.2.1. The Head of Household can make a written request for the member to be removed from the assistance by providing RHA with a self-certification that they are no longer residing in the assisted unit.

16.1.3. In the case of removal of a minor child from the household:

16.1.3.1. The Head of Household can make a written request for a minor child to be removed from the household by providing RHA with a self-certification that they are no longer residing in the assisted unit.

16.2.RETENTION OF VOUCHER WITH REMOVAL OF MEMBERS

16.2.1. To be considered the remaining member of the tenant household, the person must have been previously approved by RHA to be living in the unit. A reduction in household size may require a reduction in the voucher subsidy size.

16.2.1.1. A live-in attendant, by definition, is not a member of the household and will not be considered a remaining member of the household.

16.2.1.2. In order for a minor child to continue to receive assistance as a remaining household member, the court has to have awarded emancipated minor status to the minor.

16.2.2. When a household breaks up RHA may determine, on a case-by-case basis, what household members will retain the housing assistance.

16.2.2.1. The voucher will not be bifurcated.

16.2.2.2. In cases where minor children are part of the assisted household, the parent or guardian who has custody of the children may retain the housing assistance.

16.2.2.3. Household members who are forced to leave a subsidized unit as a result of actual or threatened physical violence by a spouse or other household member may retain the assistance.

16.2.2.3.1. In the case that an adult household member is claiming VAWA protections against another adult household member, RHA will allow five days from the initial request of removal for the household member to contest the claim by providing an acceptable certification and/or supporting documentation. Upon receipt of both claims, RHA will review the documentation and make a determination based on additional policies stated in this plan as to the household member that will retain the assistance.

16.2.2.4. In households classified as elderly, handicapped or disabled, the elderly, handicapped or disabled person may retain the assistance as long as they are a

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responsible party to the lease and over age 18.

16.2.2.4.1. In households that have individuals who meet the same above conditions, the adult with seniority in the household will retain the voucher.

16.2.2.5. When a court determines the disposition of property between members of the assisted household in a divorce or separation under a settlement or judicial decree, RHA is bound by the court determination of which household members continue to receive assistance in the program.

16.2.2.6. In cases where the household cannot determine who should retain the assistance, the decision will not be made by RHA except as outlined above.

16.3.ADDITION OF APPROVED HOUSEHOLD MEMBERS

All individuals must be approved by RHA prior to moving into an assisted unit. The individuals must meet all program eligibility requirements and supply all required documents before the RHA can approve the addition of a household member. The RHA will not conduct a re-examination to add a household member until all needed documentation and verifications are received. No one will be added to the assisted household until documentation of citizenship and a Social Security number is received.

16.3.1. Approval to add adult household members.

16.3.1.1. For an individual over the age of six claiming to be eligible to receive assistance, the applicant household member must be in compliance with 4.2.2.1.

16.3.1.2. The household must state whether they are requesting the individual to be added as the co-head or other adult.

16.3.1.3. The household must provide documentation that the adult has a different residence.

16.3.2. Approval to add minor household members.

16.3.2.1. For an individual under the age of six claiming to be eligible to receive assistance, the household must disclose any social security number issued and has 90 days to provide the verification. If no social security number has been issued, the household has 90 days to disclose a social security number and provide documentation. A 90-day extension can be granted, if the household provides documentation that the delay in providing documentation is caused by factors beyond the household's control, and the household has made every effort to obtain the documentation.

16.3.2.2. In the case of a newborn child, the head of household will submit a completed add-a-member packet within 30 days of the birth of the child. The household will have 90 days from the date of birth to provide RHA with the original Social Security card. If needed, the household may request a 90 day extension before the 90 days has elapsed. The household may be required to provide documentation supporting the need for an extension.

16.3.2.3. For a minor other than a newborn to be added to an assisted household, custody must be established.

16.3.2.3.1. If custody has been awarded by a court proceeding, the court determination must be provided.

16.3.2.3.2. If there has been no court determination of custody, a notarized

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statement from the other parent must be provided along with a self-certification from the assisted household that no court determination exists and who shall have custody of the child(ren).

- 16.3.2.3.3. Children of a live-in aide shall not be considered household members unless the head of household has legal custody of the children.

16.4. VISITORS

A household may request approval of a guest for up to 90 days. If the household is in the process of adding a new member to the household, additional time may be considered if the household has complied with all RHA requests. Written requests for guests to stay in the assisted household must be submitted to RHA prior to the guest's arrival and must include the full name of each guest. All requests for guests must be in compliance with the lease agreement.

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without RHA approval, or a total of 30 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

- 16.4.1. The burden of proof that the individual is a visitor rests on the household. In the absence of such proof, the individual will be considered an unauthorized member of the household and RHA will terminate assistance since prior approval was not requested for the addition.
- 16.4.2. Absence of evidence of any other address will be considered verification that the visitor is a member of the household. Statements from neighbors and/or the landlord will be considered in making the determination. Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- 16.4.3. Minors and college students who were part of the household but who now live away from home during the school year and are no longer on the lease may visit for up to 90 days per year without being considered a member of the household.
- 16.4.4. In a joint custody arrangement, if the minor is in the household 182 days or less per year, the minor will be considered an eligible visitor and not a household member. Since the child is a visitor, the child will not be included when determining subsidy size.
- 16.4.4.1. When both parents are on the waiting list or receiving housing assistance and both are trying to claim the child, the parent whose address is listed in the child's school records is allowed to claim the school-age child as a dependent.
- 16.4.4.2. If the child is not enrolled in school, RHA will rely upon official records from daycare providers, tax records, and insurance providers such as Medicaid.

16.5. HOUSEHOLD REQUESTS FOR CHANGE IN HEAD OF HOUSEHOLD OR CO-HEAD/SPOUSE

- 16.5.1. Changes in head of household or co-head/spouse will only be processed upon verification of a medical need for the change or a change in household composition. Changes that would cause the household to be deemed an elderly or disabled household or will cause an increase in subsidy size will not be processed without a change in household composition.

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~~December 1, 2023~~ March 1,**17. TRANSFER OF TENANCY**

[24 CFR 982.314; 982.353; 982.355]

17.1. ALLOWABLE MOVES

A household may move to a new unit with continued assistance if:

- 17.1.1. The assisted lease for the old unit has terminated because RHA has terminated the HAP Contract for owner breach, or the lease was terminated by mutual agreement of the owner and the household.
- 17.1.2. The owner has given the household a notice to vacate.
- 17.1.3. The household has given proper notice of lease termination (and if the household has a right to terminate the lease on notice to owner).
- 17.1.4. A participant of the program may request an emergency transfer if the participant has been a victim of domestic violence, dating violence, sexual assault or stalking as provided for in the Violence Against Women Act (VAWA) and if the participant believes that there is a threat of further imminent harm if they remain in the same unit. A participant may also be eligible if they have been a victim of sexual assault that occurred on the premises within 90 days preceding the emergency transfer request. These eligibilities apply regardless of whether the participant is in good standing.

17.2. RESTRICTIONS ON MOVES

[24 CFR 982.314, 982.552 (a)]

- 17.2.1. Households will not be permitted to move outside RHA's jurisdiction under portability procedures during the initial year of assisted occupancy except as provided for in the VAWA after receipt of acceptable certification.
- 17.2.2. RHA will deny permission to move if there is insufficient funding for continued assistance.
- 17.2.3. RHA may deny permission to move if the household has violated a household obligation or the household owes RHA money, or the owner has commenced an action to evict the tenant or has obtained a court judgment or other process allowing the owner to evict the household. If RHA is in the process of taking action that could result in termination of the household's assistance, RHA will provide written notification of the possible termination to the prospective landlord(s). Any client owing money to RHA must pay any outstanding debts within 30 days of move-out to receive a relocation voucher.
- 17.2.4. The Director of Rental Assistance may make exceptions to these restrictions if there is an emergency reason for the move, over which the participant has no control.

17.3. TRANSFER FOR VOUCHER TENANCY HOLDERS

Voucher holders may request a transfer from unit to unit after one year of occupancy in accordance with the lease and family obligations.

- 17.3.1. Households are required to give at least a 30-day written notice to the owner/manager and RHA. Households will be encouraged to give notice to vacate on the last day of a month (the end of a rental period). Every effort should be made to execute leases, contracts and tenancy addendum on the first day of a month for new units to ensure the maximum administrative fee is earned.
- 17.3.2. After RHA determines that a household does not owe money to RHA and, in some cases, that the household has been complying with its household obligations, RHA will reissue the Voucher in accordance with RHA subsidy standards and give the household a RFTA form to start the transfer process to a new unit. Extensions of up to 30 days each may be given when the household

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documents inability to find a unit within the initial voucher issuance period. Extensions will not allow the voucher term to exceed 180 days. The household must request the extension prior to the expiration date. Once the RFTA is submitted to RHA, the time remaining on the term of the voucher will be suspended until a determination is made by the RHA. In the event the RFTA is not approved, a new RFTA will be issued to the participant and the remaining time on the voucher will continue.

- 17.3.3. Households that vacate a unit without notice to RHA will have violated their household obligations and the household's assistance will be terminated.
- 17.3.4. Transfer requests based on a disability will be handled in accordance with the Reasonable Accommodation procedure.
- 17.3.5. Time of Contract Change. A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance. In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract.

17.4. PORTABILITY

- 17.4.1. Outgoing Portability. Within the limitations of HUD regulations and this policy, a participant household has the right to receive tenant-based voucher assistance to lease a unit outside RHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a household requests to move outside of RHA's jurisdiction, the request must specify the area to which the household wants to move. If there is more than one PHA in the area in which the household has selected a unit, RHA will assist the household in choosing the receiving PHA.
 - 17.4.1.1. *Restrictions on Portability for Applicants*. If neither the head nor spouse had a domicile (legal residence) in RHA's jurisdiction at the date of their initial application for assistance, the household will not be permitted to exercise portability upon issuance of a voucher except as provided for in the VAWA after receipt of acceptable certification. For a portable household that was not already receiving assistance in RHA's tenant-based program, RHA must determine whether the household is eligible for admission under the receiving PHA's program.
 - 17.4.1.2. *Restriction on Portability for Participants*. After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy except as provided for in the VAWA after receipt of acceptable certification. RHA may not permit households to exercise portability if the household owes money to RHA or has moved out of its assisted unit in violation of the lease. If RHA is in the process of taking action that could result in termination of the household's assistance, RHA will provide written notification of the possible termination to the receiving PHA.
- 17.4.2. Incoming Portability.
 - 17.4.2.1. *Absorption or Administration*. RHA will accept a household with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the household will be issued a "portable" voucher by RHA. The term of the voucher will not expire earlier than 30 calendar days from the expiration date of the initial PHA's voucher term. The household must submit a Request for Tenancy Approval for an eligible unit to RHA (the receiving PHA) during the term of RHA's (receiving PHA) voucher. The term of the voucher will be temporarily suspended

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once the Request for Tenancy Approval is turned in and will end when RHA approves or denies the request. RHA may grant extensions in accordance with this Administrative Plan. However, if the household decides not to lease-up in RHA's jurisdiction, they must contact the initial PHA to request an extension.

17.4.2.1.1. When RHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and RHA's policies will prevail. There will be no extensions on the household's voucher unless the initial PHA provides RHA with written approval to accept late billing.

17.4.2.1.2. For admission to the program a household must be income eligible in the area where the household initially leases a unit with assistance under the program.

17.4.2.1.3. RHA re-determines eligibility for a portable household even if they were already receiving assistance in the initial PHA tenant-based voucher program.

17.4.2.1.4. RHA will issue a "portability voucher" according to its own Subsidy Standards. If the household has a change in household composition which would change the voucher size, RHA will change to the proper sized Voucher based on its own Subsidy Standards. If the portable voucher is a VASH voucher, RHA will issue the same-sized voucher listed on the 52665 from the initial PHA. If there is a household composition change, RHA will readjust the subsidy size to match RHA's subsidy standards.

17.4.2.2. *Income and Total Tenant Payment of Incoming Portables.* If RHA conducts a recertification of the household it will not cause a delay in the issuance of a voucher.

17.4.2.3. *Requests for Tenancy Approval.* When the household submits a Request for Tenancy Approval, it will be processed using RHA's policies. If the household does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within 90 days by RHA.

17.4.2.3.1. If the household leases up successfully, RHA will notify the initial PHA within 90 days and the billing process will commence.

17.4.2.3.2. RHA will notify the initial PHA if the household fails to submit a Request for Tenancy Approval for an eligible unit within the term of the voucher.

17.4.2.3.3. If RHA denies assistance to the household, RHA will notify the initial PHA within 90 days and the household will be offered a review or hearing.

17.4.2.3.4. RHA will notify the household of its responsibility to contact the initial PHA if the household wishes to move outside RHA's jurisdiction under continued portability.

17.4.2.4. *Regular Program Functions.* RHA will perform all program functions applicable to the tenant-based assistance program, such as:

- Regular reexaminations of household income and composition
- Regular inspection of the unit

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- Interim examinations when requested or deemed necessary by RHA

17.4.2.5. *Terminations.* RHA will notify the initial PHA in writing of any termination of assistance within 60 days of the termination. If an informal hearing is required and requested by the household, the hearing will be conducted by RHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA. The initial PHA will be responsible for collecting amounts owed by the household for claims paid and for monitoring repayment. If the initial PHA notifies RHA that the household is in arrears or the household has refused to sign a payment agreement, RHA will terminate assistance to the household.

17.4.2.6. *Required Documents.* As receiving PHA, RHA will require the documents listed on the HUD Portability Billing Form from the initial PHA.

17.4.2.7. *Billing Procedures.* As receiving PHA, the billing cycle for the initial PHA will be monthly for housing assistance payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial PHA. RHA will only notify the initial PHA if a change in the billing amount is made.

17.4.2.7.1. RHA will bill the lesser of 80% of the initial PHA's ongoing administrative fee or 100% of the receiving PHA's ongoing administrative fee for each "portability" voucher leased as of the first day of the month.

17.4.2.7.2. RHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify RHA of changes in the administrative fee amount to be billed.

17.5. TRANSFER FOR MOBILITY PROGRAM PARTICIPANTS

Participants in the MTW Mobility program are receiving assistance for the first year by virtue of occupying a specific unit. After expiration of the initial lease period, the participant may request to be issued a standard Housing Choice Voucher, if one is available.

Transfers are specifically limited to changes in household composition which warrant a change in unit size.

17.5.1. Transfers from Mobility units will be approved only if RHA has another Mobility unit of the appropriate size available.

17.6. TRANSFER FOR PROJECT BASED VOUCHER PROGRAM PARTICIPANTS

Participants in the MTW and RAD Project Based Voucher program are receiving assistance for the initial term of the lease by virtue of occupying a specific unit. After the expiration of the initial lease period, the participant may request to be issued a standard Housing Choice Voucher, if one is available.

Transfers are specifically limited to changes in household composition which warrant a change in unit size during the initial term of the lease.

17.6.1. Transfers from Project Based units will be approved only if RHA has another PBV unit of the appropriate size available within 90-days. If a PBV unit is not available within the specified timeframe, a standard Housing Choice Voucher may be requested.

17.6.2. If a transfer occurs during the initial term of the lease, the following will apply to a PBV transfer:

17.6.2.1. A new lease will be required.

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17.6.2.2. The initial PBV timeframe will restart upon execution of the new lease.

18. ABSENCE FROM THE UNIT

[24 CFR 982.312, 982.54(d)(10), 982.551]

18.1. GENERAL RULES REGARDING ABSENCE FROM THE UNIT

If all members of a family are going to be absent from a subsidized unit on a temporary basis for more than 30 days, the family must notify RHA in writing prior to the first day of the absence. The absence cannot last more than 90 consecutive calendar days (180 days for a HUD-VASH client). Absence from the unit will be approved on a case-by-case basis, with RHA determining whether or when the family may be absent and for how long.

Failure of a household to obtain approval prior to a temporary absence may result in termination of housing assistance. Termination of assistance will occur if the household is absent from the unit for longer than the maximum permitted absence.

18.2. ABSENCE OF ANY MEMBER

Any member of the household will be considered permanently absent if they are away from the unit for 90 days except as otherwise provided in this policy. It is the responsibility of the head of household to report changes in household composition. RHA will evaluate absences from the unit using this policy.

18.2.1. If a member of the household is subject to a court order that restricts them from the home for more than 90 days, the person will be considered permanently absent.

18.3. ABSENCE DUE TO MEDICAL REASONS

If any household member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, RHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the household member will be permanently confined to a nursing home, the household member will be considered permanently absent. If the verification indicates that the household member will return in less than 90 consecutive days, the household member will not be considered permanently absent.

18.3.1. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with RHA's "Absence of Entire Household" policy.

18.4. ABSENCE DUE TO FULL-TIME STUDENT STATUS

Full-time students who attend school away from the home will be treated in the following manner:

18.4.1. Full-time students who attend school away from the home and live with the household during school recess will be considered permanently absent from the household.

18.5. ABSENCE DUE TO INCARCERATION

If the sole member is incarcerated for more than 90 consecutive days, they will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if they are incarcerated for 90 days.

18.5.1. RHA will determine if the reason for incarceration is for drug-related or violent criminal activity.

18.6. ABSENCE OF CHILDREN DUE TO PLACEMENT IN FOSTER CARE

If the household includes a child or children temporarily absent from the home due to placement in foster care, RHA will determine from the appropriate agency when the child/ren will be returned to the home. If the time period is to be greater than 90 days from the date of removal of the child/ren, the Voucher size

Commented [JN1]: Can we make the maximum absence for VASH 180 days, subject to them abiding by their lease/rent obligations? It would fit better with the Housing First model and allow for treatment. It would still be in alignment with federal regs.

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will be reduced. If all children are removed from the home permanently, the Voucher size will be reduced in accordance with RHA's subsidy standards. RHA has the discretion not to reduce the voucher size in cases where a re-unification plan including a re-unification date has been executed and a copy provided to RHA.

- 18.6.1. In the case of applicants reporting a child or children are absent due to placement in foster care, RHA will review the household composition and status of the child or children returning to the household 90 days after executing a Housing Assistance Payment contract. If the children remain absent from the unit, RHA may reduce the Voucher in accordance with RHA's subsidy standards.

18.7. ABSENCE OF ENTIRE HOUSEHOLD

These policy guidelines address situations when the household is absent from the unit, but has not moved out of the unit. In cases where the household has moved out of the unit, RHA will terminate assistance in accordance with appropriate termination procedures contained in this plan.

- 18.7.1. Households are required to both notify RHA before they move out of a unit, and to give RHA information about any household absence from the unit.
- 18.7.1.1. Households must notify RHA if they are going to be absent for more than 30 consecutive days.
- 18.7.1.2. If the entire household is absent from the assisted unit for more than 30 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.
- 18.7.2. HUD regulations require RHA to terminate assistance if the entire household is absent from the unit for a period of more than 180 consecutive calendar days.
- 18.7.2.1. Absence means that no household member is residing in the unit.
- 18.7.2.2. In order to determine if the household is absent from the unit, RHA may:
- Write letters to the household at the unit.
 - Telephone the household at the unit.
 - Interview neighbors.
 - Verify if utilities are in service.
 - Check with the post office.
- 18.7.2.3. A person with a disability may request an extension of time as an accommodation.
- 18.7.3. If the absence which resulted in termination of assistance was due to a person's disability and RHA can verify that the person was unable to notify RHA in accordance with the household's responsibilities, and if funding is available, RHA may reinstate the household as an accommodation, if requested by the household, on a case by case basis.

18.8. CARETAKER FOR CHILDREN

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, RHA will treat that adult as a visitor for the first 30 days.

- 18.8.1. If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker contingent upon the caretaker meeting eligibility requirements.
- 18.8.2. If the appropriate agency cannot confirm the guardianship status of the caretaker, RHA will review the status at 30-day intervals.

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18.8.3. If the custody or legal guardianship has not been awarded by the court, but the action is in progress, RHA will secure verification from social services staff or the attorney as to the status.

18.8.3.1. The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody has been made.

18.8.4. When RHA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. RHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

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19. DENIAL OR TERMINATION OF ASSISTANCE, OCCUPANCY OR CONTRACT

[24 CFR 5.902; 5.903; 5.905; 982.551; 982.552; 982.553]

Voucher assistance can be terminated by either the tenant or RHA depending upon the individual circumstances.

19.1. TERMINATION OF ASSISTANCE BY TENANT

If a tenant decides to voluntarily relinquish their Voucher their assistance will be terminated. It is the responsibility of the tenant to provide both RHA and the owner/manager a 30-day written notice of their intent to voluntarily terminate their assistance.

19.1.1. For Voucher Tenancy participants: household termination of the lease must be in accordance with the terms of the lease. Upon receipt of notice to terminate, staff will record the information and complete a vacancy referral in accordance with RHA procedures.

19.2. DENIAL OR TERMINATION OF ASSISTANCE BY RHA

RHA may deny or terminate assistance for a household because of the household's actions or failure to act. RHA will provide households with a written description of the household obligations under the program, the grounds under which RHA can deny or terminate assistance, and RHA's informal hearing procedures. This section describes when RHA is required to deny or terminate assistance, and RHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract. If RHA determines termination action is appropriate, both the tenant and the owner/manager will be notified at least 30 days in advance in accordance with the HAP contract. When the contract is terminated, RHA will assist the household, if eligible, to find a suitable unit.

19.2.1. Denial of assistance for an applicant may include any or all of the following:

- 19.2.1.1. Denial for placement on RHA waiting list.
- 19.2.1.2. Denying or withdrawing a voucher.
- 19.2.1.3. Refusing to enter into a HAP Contract or approve a tenancy.
- 19.2.1.4. Refusing to process or provide assistance under portability procedures.

19.2.2. Termination of assistance for a participant may include any or all of the following:

- 19.2.2.1. Refusing to enter into a HAP Contract or approve a tenancy.
- 19.2.2.2. Terminating Housing Assistance Payments under an outstanding HAP Contract.
- 19.2.2.3. Refusing to process or provide assistance under portability procedures.

19.2.3. Mandatory denial and termination reasons are as follows:

- 19.2.3.1. RHA must deny assistance to applicants, and terminate assistance for participants if the Household is under contract and 365 days have elapsed since RHA's last Housing Assistance Payment was made.
- 19.2.3.2. RHA must permanently deny assistance to applicants and terminate assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.
- 19.2.3.3. RHA must deny admission to the program for applicants, and terminate assistance of program participants if RHA determines that any household member is currently engaging in illegal use of a drug. (See section 17.2.5 of this chapter)

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- 19.2.3.4. RHA must deny admission to the program for applicants, and terminate assistance of program participants if RHA determines it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. (See section 17.2.5 of this chapter)
- 19.2.3.5. RHA must deny admission to an applicant if RHA determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. (See section 17.2.5 of this chapter)
- 19.2.3.6. RHA must terminate program assistance for a household member evicted from housing assistance under the program for serious violation of the lease.
- 19.2.3.6.1. A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.
- 19.2.3.7. RHA must deny admission to the program for an applicant or terminate program assistance for a participant if any member of the household fails to sign and submit consent forms for obtaining information in accordance with 24 CFR Part 5, Subparts B and F.
- 19.2.3.8. RHA must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

19.2.4. Authority to deny admission or terminate assistance

- 19.2.4.1. Grounds for Denial or Termination of Assistance. RHA may deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:
- 19.2.4.1.1. If any household member has violated the household obligation not to engage in any drug-related criminal activity.
- 19.2.4.1.2. If any household member has violated the household obligation not to engage in any violent criminal activity.
- 19.2.4.1.3. If any member of the household has been evicted from federally assisted housing in the last three years.
- 19.2.4.1.4. If any PHA has ever terminated assistance under the program for any member of the household.
- 19.2.4.1.5. If any member of the household commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- 19.2.4.1.6. The household currently owes rent or other amounts to RHA or to another PHA in connection with Voucher or Public Housing assistance under the 1937 Act.
- 19.2.4.1.7. The household has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the household under the lease.
- 19.2.4.1.8. The household breaches an agreement with a PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA. RHA at its discretion may offer the household the opportunity to enter

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into a repayment agreement. RHA will prescribe the terms of the agreement.

19.2.4.1.9. The household has engaged in or threatened abuse or violent behavior toward RHA personnel. “Abusive or violent behavior toward RHA personnel” includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. “Threatening” refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.

19.2.4.1.10. If any member of the household engages in or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents. (See Section 17.2.5 of this chapter)

19.2.4.2. Consideration of circumstances

19.2.4.2.1. In deciding whether to deny or terminate assistance because of action or failure to act by members of the household, RHA has discretion to consider all of the circumstances in each case, including the seriousness of the case and issues of domestic violence, dating violence, sexual assault and stalking. RHA will use its discretion in reviewing the extent of participation or culpability of individual household members and the length of time since the violation occurred. RHA may also review the household’s more recent history and record of compliance, and the effects that denial of assistance may have on other household members who were not involved in the action or failure to act.

19.2.4.2.2. RHA may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in, or were culpable for the action or failure to act, will not reside in the unit. RHA may permit the other members of a household to continue in the program.

19.2.4.2.3. If denial or termination is based upon behavior resulting from a disability, RHA may delay the denial or termination if a request is made, in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

19.2.5. Screening and Termination for Drug Abuse and Other Criminal Activity

19.2.5.1. HUD Definitions.

19.2.5.1.1. *Covered Person*, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant’s household, a guest or another person under the tenant’s control.

19.2.5.1.2. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

19.2.5.1.3. *Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

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- 19.2.5.1.4. *Guest*, for purposes of this chapter and 24 CFR Part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of 24 CFR Part 982 apply to a guest as so defined.
- 19.2.5.1.5. *Household*, for the purposes of 24 CFR Part 982 and this chapter, means the family and RHA-approved live-in aide, foster child, or foster adult.
- 19.2.5.1.6. *Other person under the tenant's control*, for the purposes of the definition of *covered person* and for 24 CFR Parts 5 and 24 CFR 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.
- 19.2.5.1.7. *Violent criminal activity* means any criminal activity that has as one of its elements the use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

19.2.5.2. Standard for Violation.

- 19.2.5.2.1. Where RHA determines there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where RHA determines there is a pattern of illegal use of a drug or a pattern of alcohol abuse.
- 19.2.5.2.2. RHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous twelve months.
- 19.2.5.2.3. The violent or drug-related activity is being engaged in by any household member.
- 19.2.5.2.4. "Engaged in or engaging in" violent criminal activity means any act within the past three years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage
- 19.2.5.2.5. The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.
- 19.2.5.2.6. In evaluating evidence of negative past behavior, RHA will give fair consideration to the seriousness of the activity with respect to

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how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

19.2.5.3. Screening of Applicants. In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and 24 CFR Part 5, Subpart J, RHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior. Such screening will apply to any member of the household who is 18 years of age or older.

19.2.5.3.1. Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the voucher program for a three-year period beginning on the date of such eviction.

19.2.5.3.2. However, the household may be admitted if, after considering the individual circumstances of the household, RHA determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by RHA.
- The circumstances leading to eviction no longer exist because the criminal household member has died or is imprisoned.

19.2.5.3.3. Applicants will be denied assistance if they have been evicted from federally assisted housing for violent criminal activity within the last three years prior to the date of the certification interview.

19.2.5.4. Denial of Assistance for Sex Offenders. RHA will deny admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In screening applicants, RHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

19.2.5.5. Termination of Assistance for Participants.

19.2.5.5.1. Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity. Under the household obligations, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations require RHA to establish standards for termination of assistance when this household obligation is violated. RHA has established the following standards for termination of assistance for the household when a household member has violated the household obligation to refrain from participating in drug-related or violent criminal activity:

19.2.5.5.2. Assistance will be terminated for participants who have been evicted from a unit assisted under any federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the

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date of the notice to terminate assistance.

19.2.5.5.3. If any member of the household violates the household obligations by engaging in drug-related or violent criminal activity, RHA will terminate assistance. Exceptions may be made in cases of violent criminal activity that involves domestic violence, dating violence, sexual assault and/or stalking as provided for in the VAWA.

19.2.5.5.4. In appropriate cases, RHA may permit the household to continue receiving assistance provided that the household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, RHA may consider individual circumstances with the advice of Juvenile Court officials.

19.2.5.5.5. RHA will waive the requirement regarding drug-related criminal activity if the person demonstrates successful completion of a credible rehabilitation program approved by RHA, or the circumstances leading to the violation no longer exist because the person who engaged in drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration.

19.2.5.5.6. **Terminating Assistance for Alcohol Abuse by Household Members.** Under the household obligations, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a household obligation if RHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents residing in the immediate vicinity of the premises.

19.2.5.5.7. In appropriate cases, RHA may permit the household to continue receiving assistance provided that household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, RHA may consider individual circumstances with the advice of Juvenile Court officials.

19.2.6. Notice of Termination of Assistance. In any case where RHA decides to terminate assistance to the household, RHA must give the household written notice which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The household's right, if they disagree, to request an Informal Hearing to be held before termination of assistance, and
- The date by which a request for an Informal Hearing must be received by RHA.

19.2.6.1. If RHA proposes to terminate assistance for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the tenant with a copy of the criminal record.

19.2.6.2. RHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance. The Notice to the

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owner will not include any details regarding the reason for termination of assistance.

19.2.7. Required Evidence.

- 19.2.7.1. *Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- 19.2.7.2. *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.
- 19.2.7.3. RHA will terminate assistance for criminal activity by a household member, as described in this chapter, if RHA determines that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.
- 19.2.7.4. RHA will pursue fact-finding efforts as needed to obtain credible evidence.
- 19.2.7.5. Confidentiality of Criminal Records. RHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.
- 19.2.7.6. All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance, and to upper level Rental Assistance Department management.
- 19.2.7.7. If the household is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.
- 19.2.7.8. If the household's assistance is denied or terminated, the criminal record information shall be shredded when required by state law or when the tenant's file is shredded after record retention requirements are met.

19.2.8. Household Obligations

19.2.8.1. The household must abide by the following obligations:

- 19.2.8.1.1. The household must supply any information that RHA or HUD determine is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release or other documentation.
- 19.2.8.1.2. The household must supply any information requested by RHA or HUD for use in a regularly scheduled reexamination or interim reexamination of household income and composition in accordance with HUD requirements.
- 19.2.8.1.3. The household must disclose and verify Social Security numbers (as provided by 24 CFR 5.216) and must sign and submit

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consent forms for obtaining information in accordance with 24 CFR 5.230.

- 19.2.8.1.4. All information supplied by the household must be true and complete.
- 19.2.8.1.5. The household is responsible for an HQS breach caused by the household as described in 982.404.
- 19.2.8.1.6. The household must allow RHA to inspect the unit at reasonable times and after reasonable notice.
- 19.2.8.1.7. The household may not commit any serious or repeated violations of the lease.
- 19.2.8.1.8. The household must notify the owner and, at the same time, notify RHA before the household moves out of the unit or terminates the lease upon notice to the owner.
- 19.2.8.1.9. The household must promptly give RHA a copy of any owner eviction notice.
- 19.2.8.1.10. The household must use the assisted unit for residence by the household. The unit must be the household's only residence.
- 19.2.8.1.11. The composition of the assisted household residing in the unit must be approved by RHA. The household must promptly inform RHA of the birth, adoption or court-awarded custody of a child. The household must request RHA to add any other household member as an occupant of the unit.
- 19.2.8.1.12. The household must promptly notify RHA if any household member no longer resides in the unit.
- 19.2.8.1.13. If RHA has given approval, a foster child or a live-in aide may reside in the unit. If the household does not request approval or RHA approval is denied, the household may not allow a foster child or live-in aide to reside with the assisted household.
- 19.2.8.1.14. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the household and are in concurrence with the lease.
- 19.2.8.1.15. The household must not sublease or let the unit.
- 19.2.8.1.16. The household must not assign the lease or transfer the unit.
- 19.2.8.1.17. The household must supply any information or certification requested by RHA to verify that the household is living in the unit, or relating to household absence from the unit, including any RHA-requested information or certification on the purposes of household absences. The household must cooperate with RHA for this purpose. The household must promptly notify RHA of absence from the unit.
- 19.2.8.1.18. The household must not own or have any interest in the unit.
- 19.2.8.1.19. The members of the household must not commit fraud, bribery or any other corrupt or criminal act in connection with any federal

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housing program.

- 19.2.8.1.20. The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. An assisted household, or members of the household, may not receive Section 8 or other tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state or local housing assistance programs.

19.2.8.2. Enforcing Household Obligations

- 19.2.8.2.1. Explanations and Terms. The term “promptly” when used with the household obligations always means “within 10 days.” Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

- 19.2.8.2.2. HQS Breach. The inspector will determine if a HQS breach as identified in 24 CFR 982.404 is the responsibility of the household. Households may be given extensions to cure HQS breaches. The housing inspector may give an extension of up to 30 days. Any extensions of more than 30 days must be approved by the Director of Rental Assistance or the Executive Director.

- 19.2.8.2.3. Lease Violations. The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease.
- If the owner notifies the household of termination of tenancy assistance for serious or repeated lease violations, and the household moves from the unit prior to the completion of court action, and RHA determines that the cause is a serious or repeated violation of the lease based on available evidence.
- If the owner notifies the household of termination of tenancy assistance for serious or repeated lease violations, and the household moves from the unit prior to the completion or court action, and if there are police reports, neighborhood complaints or other third-party information that has been verified by RHA.

- 19.2.8.2.4. Proposed Additions to the Household. RHA will deny a household’s request to add additional household members who are:

- Persons who have been evicted from Public Housing or other RHA programs.
- Persons who have previously violated a household obligation.

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- Persons who have been part of a household whose assistance has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who do not meet RHA's definition of family.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to RHA or to another PHA in connection with Rental Assistance or Public Housing assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward RHA personnel.

19.2.8.2.5. Household Member Moves Out. Households are required to notify RHA if any household member leaves the assisted household. When the household notifies RHA, they must furnish the following information:

- The date the household member moved out.
- The new address, if known, of the household member.
- A statement as to whether the household member is temporarily or permanently absent.

19.2.8.2.6. Limitation on Profit-Making Activity in Unit:

- If the business activity area results in the inability of a household member to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.
- If RHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.
- If RHA determines the business is not legal, it will be considered a program violation.

19.2.8.2.7. Interest in Unit. The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted household, unless the household owns the mobile home and rents the pad.

19.2.8.2.8. Fraud. In each case, RHA will consider which household members were involved, the circumstances, and any hardship that might be caused to innocent members.

19.2.9. Procedures for Non-Citizens [24 CFR 5.514, 5.516, 5.518].

19.2.9.1. Denial or Termination Due to Ineligible Immigrant Status. Applicant or participant households in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. RHA must offer the household an opportunity for a hearing. (See "Eligibility for Admission"

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chapter, section on Citizenship/Eligible Immigration Status). Assistance may not be terminated while verification of the participant household's eligible immigration status is pending.

- 19.2.9.2. False or Incomplete Information. RHA will deny or terminate assistance based on the submission of false information or misrepresentation.
- 19.2.9.3. Procedure for Denial or Termination. If the household (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the household may make an appeal to the INS and request a hearing with RHA either after the INS appeal or in lieu of the INS appeal. After RHA has made determination of ineligibility, the household will be notified of the determination, as well as the reasons and informed of the option for prorated assistance (if applicable).
- 19.2.10. Zero (\$0) Assistance Tenancies.
- 19.2.10.1. The household may remain in the unit at \$0 assistance for up to 365 days after the last HAP payment. If the household is still in the unit after 365 days, the assistance will be terminated. If, within the 365-day time frame, an owner rent increase or a decrease in the Total Tenant Payment causes the household to be eligible for a housing assistance payment, RHA will resume assistance payments for the household.
- 19.2.10.2. In order for a household to move to another unit during the 365 days, the rent for the new unit would have to be high enough to necessitate a Housing Assistance Payment.
- 19.2.11. Option Not to Terminate for Misrepresentation. If the household has misrepresented any facts that caused RHA to overpay assistance, RHA may choose not to terminate and may offer to continue assistance provided that the household executes a Repayment Agreement and makes payments in accordance with the agreement, or reimburses RHA in full within 90 calendar days.
- 19.2.12. Misrepresentation in Collusion with Owner. If the household intentionally, willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, RHA will deny or terminate assistance.
- 19.2.13. Missed Appointments and Deadlines. It is a Household Obligation to supply information, documentation and certification as needed for RHA to fulfill its responsibilities. RHA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the household allow RHA to inspect the unit, and appointments are made for this purpose.
- 19.2.13.1. An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying RHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow RHA to inspect the unit.
- 19.2.13.2. The household will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.
- 19.2.13.3. Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:
- Eligibility for Admissions

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- Verification Procedures
- Voucher Issuance and Briefings
- Inspections
- Recertifications
- Appeals

19.2.13.4. Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency
- Incarceration
- Household emergency

19.2.13.5. Procedure when Appointments are Missed or Information not Provided. For most purposes in this plan, the household will be given two opportunities before being issued a notice of termination or denial for breach of a household obligation. After issuance of the termination notice, if the household offers to correct the breach within the time allowed to request a hearing the termination will be rescinded after the household cures the breach *or* if the household offers to cure and the household does not have a history of non-compliance.

19.3.TERMINATION OF OCCUPANCY

Voucher program participants may only have their occupancy terminated by mutual rescission or by owner/managers instituting a court action. The owner/manager must notify RHA in writing of the commencement of the procedures for termination of tenancy, at the same time that the owner/manager gives notice to the tenant under state and local law. The notice to terminate tenancy must show reasons in accordance with the lease and contract and be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105. In terminating occupancy, owners/managers must ensure that they are in compliance with the VAWA.

19.3.1. The owner must provide the tenant with a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

19.3.2. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under Nevada law to commence an eviction action.

19.3.3. During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

19.3.4. During the term of the lease the owner may only evict for:

19.3.4.1. Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violations of the terms and conditions of the lease.

19.3.4.2. Violations of Federal, State or local law that impose obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the

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premises or any drug-related criminal activity on or near the premises.

- 19.3.4.3. Other good cause. (During the initial term of the lease, the owner may not terminate the tenancy for 'other good cause' unless the owner is terminating the tenancy because of something the household did or failed to do (see 982.310)).
- 19.3.5. RHA requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for RHA's decision regarding termination of assistance.
- 19.3.6. Housing Assistance Payments are paid to the owner under the terms of the HAP Contract. If the owner has begun eviction and the household continues to reside in the unit, RHA must continue to make Housing Assistance Payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.
- 19.3.7. RHA will continue Housing Assistance Payments until the household moves or is evicted from the unit.
- 19.3.8. RHA must continue making Housing Assistance Payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly checks from RHA, the owner certifies that the tenant is still in the unit, the rent is reasonable, and they are in compliance with the contract.
- 19.3.9. If an eviction is not due to a serious or repeated violation of the lease, and if RHA has no other grounds for termination of assistance, RHA may issue a new voucher so that the household can move with continued assistance.

19.4. CONTRACT TERMINATIONS

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and RHA may be terminated by RHA, or by the owner or tenant terminating the lease. No future subsidy payments on behalf of the household will be made by RHA to the owner after the month in which the contract is terminated except in the case of approved Landlord Incentive Program payments. The owner must reimburse RHA for any subsidies paid by RHA for any period after the contract termination date. If the household continues to occupy the unit after the Rental Assistance contract is terminated, the household is responsible for the total amount of rent due to the owner. After a contract termination, if the household meets the criteria for a move with continued assistance, the household may lease-up in another unit. The contract for the new unit may begin during the month in which the household moved from the old unit.

- 19.4.1. The HAP contract will terminate when RHA has not made a Housing Assistance Payment for 365 consecutive days.

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20. OWNER OR HOUSEHOLD DEBTS TO RHA

[24 CFR 982.552]

This chapter describes RHA's policies for the recovery of monies which have been overpaid for households, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is RHA's policy to meet the informational needs of owners and households, and to communicate the program rules in order to avoid owner and household debts. Before a debt is assessed against a household or owner, the file must contain documentation to support RHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the household or other interested parties. When households or owners owe money to RHA, RHA will make every effort to collect it. RHA will use a variety of collection tools to recover debts including, but not limited to, request for lump sum payments, payment agreements, abatements, and reduction in HAP to owner and collection agencies.

20.1. HOUSEHOLD DEBTS TO RHA

- 20.1.1. Debts Owed for Claims. If a household owes money to RHA for claims paid to an owner, RHA will require the household to pay the amount in full or may enter into a payment agreement.
- 20.1.2. Household Error/Late Reporting. Households who owe money to RHA due to the household's failure to report changes in income, regardless of when the misreporting occurred, will be required to repay in accordance with the payment agreement procedures, incorporated herein by reference.
- 20.1.3. Program Fraud. Households who owe money to RHA due to program fraud will be required to pay in accordance with the payment agreement procedures for program fraud incorporated herein by reference. HUD's definition of program fraud and abuse is a single act or pattern of actions that: Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Rental Assistance funds in violation of Rental Assistance requirements.
- 20.1.4. Late Payments. A payment will be considered in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.
 - 20.1.4.1. If the household's payment agreement is in arrears, and the household has not contacted or made arrangements with RHA, RHA will require the household to pay the balance in full or terminate the housing assistance. The repayment agreement must be paid in full by the date specified in the agreement.
- 20.1.5. If the household requests a move to another unit and has a payment agreement in place, and the payment agreement is not in arrears, the household will be required to pay the balance in full prior to the issuance of a voucher. Exceptions to this policy may be made at the discretion of the Director of Rental Assistance.
- 20.1.6. If a household is terminated or moved off the program with a debt, RHA will update the Enterprise Income Verification (EIV) database system with the amount of the debt owed to the agency in accordance with HUD's Debts Owed to Public Housing Agencies and Termination policy.

20.2. REPAYMENT AGREEMENTS

A Repayment Agreement is a legal and binding agreement entered into between RHA and a current or prior voucher program participant who owes a debt to RHA for overpayment of HAP. It is similar to a promissory note but contains details regarding the nature of the debt, the terms of repayment, special provisions of the agreement, and the remedies available to RHA upon default of the agreement.

- 20.2.1. The maximum length of time RHA will enter into a repayment agreement with a household is 12

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months, unless otherwise approved by the Director of Rental Assistance, Executive Director or their designee.

20.2.2. A Down payment of 10% of the initial total debt is expected at time of execution of the repayment agreement, unless otherwise approved by the Director of Rental Assistance, Executive Director or their designee.

20.2.3. The minimum monthly payment for any repayment agreement is \$25. Monthly payments will be determined by dividing the remaining balance after receipt of the down payment by the number of months of the agreement. The only exception will be in cases in which the total monthly payment exceeds 40% of Adjusted Gross Income.

20.2.4. Late Payments. A payment will be considered late if not received by the close of business on the day in which the payment is due. If the due date is on a weekend or holiday, the due date will be the close of the next business day.

20.2.5. If the household's payment agreement is in arrears, and the household has not contacted or made arrangements with RHA to correct the arrearage, RHA will require the household to pay the balance in full by the date designated. Termination of assistance may result when any debt is in arrears for three (3) months or more. The repayment agreement must be paid in full by the date specified in the agreement.

20.2.6. If the household requests a transfer to another unit and has a repayment agreement in place and the payment agreement is not in arrears, the family will be permitted to move with prior approval of the Director of Rental Assistance.

20.2.7. There are some circumstances in which RHA will not enter into a repayment agreement:

20.2.7.1. If the household already has a repayment agreement in place.

20.2.7.2. If RHA determines that the household has committed program fraud.

20.2.8. Guidelines for Repayment Agreements

20.2.8.1. Repayment agreements will be executed between RHA and the head of household, co-tenant and/or spouse.

20.2.8.2. Monthly payments may be decreased in cases of hardship if approved by the Director of Rental Assistance. Households must submit a request and provide verification of the hardship. If approved, the decrease will be not be lower than the minimum payment allowed as defined in this section.

20.2.9. Additional Monies Owed: If the household has a payment agreement in place and incurs an additional debt to RHA, RHA will not enter into more than one payment agreement at a time with the same household.

20.3. OWNER DEBTS TO RHA

[24 CFR 982.453(b)]

20.3.1. If RHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, RHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

20.3.1.1. If future housing assistance or claim payments are insufficient to reclaim the amounts owed, RHA will require the owner to pay the amount in full within 60 days.

20.3.2. If a landlord has been overpaid as a result of fraud, misrepresentation, or violation of the HAP

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contract, RHA may terminate the contract and arrange for restitution to RHA and/or household as appropriate.

20.4. WRITING OFF DEBTS

Debts will be written off if the debtor’s whereabouts are unknown and the debt is more than six months old; if the debtor is deceased; or if the debtor is confined to an institution indefinitely.

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21. COMPLAINTS AND APPEALS

[24 CFR 982.554; 982.555]

RHA will operate all voucher programs in accordance with federal, state and local laws and regulations and RHA policies. If a tenant believes these laws, regulations or policies have been violated they may make a complaint. RHA will respond promptly to complaints from households, owners, employees and members of the public. All complaints will be documented. RHA may require that complaints other than HQS violations are put in writing. RHA will investigate all complaints and if appropriate, respond in writing to the complainant. RHA hearing procedures will be provided to households in the briefing packet. The informal file review and hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of RHA. This chapter describes the policies to be used when households disagree with an RHA decision. It is the policy of RHA to ensure that all households have the benefit of all protections due to them under the law.

21.1. CATEGORIES OF COMPLAINTS

- 21.1.1. Complaints from households: If a household disagrees with an action or inaction of RHA or owner. Complaints from households will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.2. Complaints from owners: If an owner disagrees with an action or inaction of RHA or a household. Complaints from owners will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.3. Complaints from staff: If a staff person reports an owner or household either violating or not complying with program rules, the complaint will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.4. Complaints from the general public: Complaints or referrals from persons in the community in regard to RHA, a household or an owner. Complaints from the general public will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.

21.1.4.1. Anonymous complaints will be investigated whenever possible by appropriate RHA staff.

21.2. INFORMAL FILE REVIEW PROCEDURE

Informal File reviews are provided for applicants who are denied assistance before the effective date of the HAP contract. Informal file reviews are also utilized with participants facing termination of housing assistance as an attempt to resolve a situation before it reaches the Hearing stage. The exception is that when an applicant is denied assistance for citizenship or eligible immigration status, the applicant is entitled to a hearing (see Section 17.4 of this Chapter).

- 21.2.1. Informal File Reviews are not required for established policies and procedures and RHA determinations such as:
 - Discretionary administrative determinations by RHA
 - General policy issues or class grievances
 - Refusal to extend or suspend a voucher

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- An RHA determination not to grant approval of the tenancy
- Determination that the unit is not in compliance with HQS
- Determination that unit is not in accordance with HQS due to household size or composition.

21.2.2. Procedures for Applicants:

21.2.2.1. RHA must provide applicants with the opportunity for an informal file review of decisions denying:

- Listing on RHA's Waiting list
- Issuance of a voucher
- Participation in the program
- Assistance under portability procedures

21.2.2.2. When RHA determines that an applicant is ineligible for the program; the household must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible,
- The procedure for requesting a review if the applicant does not agree with the decision and,
- The time limit for requesting a review.

21.2.2.3. When denying admission for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the applicant with an opportunity to view the criminal record upon which the decision to deny was based.

21.2.3. Procedures for Participants:

21.2.3.1. When RHA makes a decision regarding the continued eligibility and/or the amount of assistance, participants must be notified in writing. RHA will give the household prompt notice of such determinations which will include:

- The proposed action or decision of RHA
- The date the proposed action or decision will take place
- The household's right to an explanation of the basis for RHA's decision
- The procedures for requesting a hearing if the household disputes the action or decision
- The time limit of 14 days for requesting the hearing

In the case of termination of assistance, a file review will be automatically scheduled, and the date and time will be included in the termination letter.

21.2.4. Procedure for Review. It is RHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. Therefore, RHA will utilize the informal file review as a part of the informal hearing procedure. If this is not possible, RHA will ensure that applicants and participants will receive the protections and rights afforded by the law and regulations. RHA's hearing procedures are hereby incorporated by reference.

21.2.4.1. In cases other than the termination of assistance, a request for an informal file review must be received in writing by the close of the business day, no later than 14

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days from the date of RHA's notification of the proposed action or change. The informal file review will be scheduled within ten days from the date the request is received.

- 21.2.4.2. The informal file review will be conducted by the Admissions Manager, the Rental Assistance Administrator, or designated staff either in-person, over the phone or by utilizing other forms of technology allowing two-way communication. Households with members with disabilities will be accommodated, based on need and with proper documentation, with respect to the manner in which informal file reviews are conducted.
- 21.2.4.3. RHA staff will notify the client in writing of the date and time of the informal file review.
- 21.2.4.4. Households may request one reschedule prior to the date and time of the informal file review.
- 21.2.4.5. A Household may be up to fifteen (15) minutes late for their scheduled informal file review and still have the review conducted. Households more than fifteen (15) minutes late will be considered to have missed their appointment.
- 21.2.4.5.1. In cases of a missed informal file review, households may request one reschedule within 14 days and show "good cause" as to the reason why the initial appointment was missed.
- 21.2.4.5.2. If a household misses two scheduled informal file reviews, the termination may be forwarded to an informal hearing.
- 21.2.4.5.3. If a household misses two requested informal file reviews (requested for reasons not related to termination of assistance), the RHA may not reschedule a third informal file review unless good cause for missing the prior two requested informal file reviews is provided.
- 21.2.4.6. All documentation pertaining to the informal file review will be reviewed during the meeting.
- 21.2.4.7. In the case of termination, if the termination is not resolved at the informal file review, the participant will be scheduled for an informal hearing.
- 21.2.4.8. In cases other than termination of assistance, if the participant still disagrees with the decision made during the informal file review, the participant may request an informal hearing with the Director of Rental Assistance or designated staff.
- 21.2.4.9. All requests for an informal file review, supporting documentation, and a copy of the final decision will be retained in the household's file.
- 21.2.5. When terminating assistance for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the tenant/participant with an opportunity to view the criminal record upon which the decision to terminate was based. Per NRS 179A.110, RHA cannot provide a copy of the criminal record.

21.3. INFORMAL HEARING PROCEDURES

[24 CFR 982.555(a-f)]

- 21.3.1. RHA must provide participants with the opportunity for an informal hearing for decisions related to any of the following RHA determinations:
- Determination of the household's annual or adjusted income and the computation of the

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Housing Assistance Payment

- Appropriate utility allowance used from schedule
- Household unit size determination under RHA subsidy standards
- Determination to terminate assistance for any reason
- Determination to terminate a household's FSS contract, withhold supportive services, or propose forfeiture of the household's escrow account.

21.3.2. RHA must always provide the opportunity for an informal hearing before termination of assistance. The hearing will be scheduled by RHA within 10 days from the date the request for a hearing is received.

21.3.3. Informal hearings are not required for established policies and procedures and RHA determination such as:

- Discretionary administrative determinations by RHA
- General policy issues or class grievances
- Establishment of RHA schedule of utility allowances for households in the program
- A RHA determination not to approve an extension or suspension of a voucher term
- A RHA determination not to approve a unit or lease
- A RHA determination that an assisted unit is not in compliance with HQS (RHA must provide a hearing for household breach of HQS because that is a household obligation determination)
- A RHA determination that the unit is not in accordance with HQS because of the household size
- A RHA determination to exercise or not exercise any right or remedy against the owner under a HAP Contract

The hearing is not intended to provide a forum for initiating or negotiating policy changes between a group or groups of tenants and RHA Board of Commissioners.

21.3.4. The informal hearing will be conducted by RHA staff in the presence of RHA's Hearing Officer, either in-person or remotely utilizing technology allowing for two-way audio and visual communication. Households with members with disabilities will be accommodated, based on need and with proper documentation, with respect to the manner in which informal hearings are conducted.

21.3.5. After a hearing is scheduled, the household may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the household.

21.3.6. If a household does not appear within 15 minutes of their scheduled hearing and has not rescheduled the hearing in advance, the household must contact RHA within 24 hours, excluding weekends and holidays. RHA will reschedule the hearing only if the household can show good cause for the failure to appear.

21.3.7. If the household requests copies of documents relevant to the hearing, RHA will make the copies for the household and assess a charge of \$.25 per copy. In no case will the household be allowed to remove the file from RHA's office.

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- 21.3.8. The Hearing Officer may ask the household for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.
- 21.3.8.1. If the family misses an appointment or deadline ordered by the Hearing Officer, the action of RHA will take effect and another hearing will not be granted.
- 21.3.9. RHA will take detailed notes of the proceedings which includes a recording of the hearing. The recording of the Informal Hearing will be held for 60 days from the date the household is notified of the results of the Informal Hearing.
- 21.3.10. A notice of the findings will be sent in writing to the participant within 10 days after the informal hearing. It shall include the decision of the Hearing Officer and an explanation of the reason for the decision.
- 21.3.11. The Hearing Officer will determine whether the action, inaction, or decision of RHA is legal and in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the household will be based on a preponderance of the evidence presented at the hearing.
- 21.3.12. All requests for a hearing, supporting documentation and a copy of the final decision will be retained in the household's file.

21.4. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

[24 CFR Part 5, Subpart E].

- 21.4.1. Assistance to the household may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.
- 21.4.2. Assistance to a household cannot be terminated or denied while RHA hearing is pending, but assistance to an applicant may be delayed pending RHA hearing.
- 21.4.3. INS Determination of Ineligibility. If a household member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, RHA will notify the applicant or participant within 10 days of their right to appeal to the INS within 30 days or request an informal hearing with RHA either in lieu of or subsequent to the INS appeal.
- 21.4.3.1. If the household appeals to the INS, they must give RHA a copy of the appeal and proof of mailing or RHA may proceed to terminate or deny. The time period to request an appeal may be extended by RHA for good cause.
- 21.4.3.2. The request for an RHA hearing must be made within 14 days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 14 days of receipt of that notice.
- 21.4.3.3. After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the Hearing Officer decides that the individual is not eligible, and there are no other eligible household members RHA will:
- Deny the applicant household
 - Defer termination if the household is a participant and qualifies for deferral
 - Terminate the participant if the household does not qualify for deferral
- 21.4.3.4. If there are eligible members in the household, RHA will offer to prorate assistance or give the household the option to remove the ineligible members.

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21.4.3.5. All other complaints related to eligible citizen/immigrant status:

- If any household member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all household members fail to provide, the household will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.
- Households denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

21.5. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES

[24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or RHA is terminating assistance, the household will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

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22. USE OF PROGRAM RECEIPTS**22.1. PROGRAM RECEIPTS**

RHA shall use program receipts to provide decent, safe and sanitary housing for eligible households in compliance with all HUD requirements. Program receipts may only be used to pay program expenditures.

22.2. PROGRAM EXPENDITURES

RHA shall not make any program expenditures except in accordance with the annual contribution estimate and supporting data for such estimate as approved by HUD.

22.3. OPERATING RESERVE

RHA shall maintain an operating reserve account that shall be credited with the amount by which the total of administrative fees earned, and interest earned on the operating reserve exceed RHA administrative expenses during a fiscal year.

22.4. USE OF OPERATING RESERVES

- 22.4.1. Required Use for Program Administration. The operating reserve must be used to pay Section 8 administrative expenses that exceed program receipts in a subsequent fiscal year. RHA must ensure that projected administrative fees and the operating reserve will cover all projected costs of efficient and effective program administration through remaining ACC terms, based on the ACC(s) in effect at that time.
- 22.4.2. Permitted Use for Other Housing Purposes. Operating reserve funds may be expended for other housing purposes consistent with RHA's authority under state and local law, provided that the amounts used for other housing purposes are not required for projected administrative expenses through remaining ACC terms. If RHA anticipates that on-going fees will not be sufficient for on-going administrative costs through its ACC terms, an appropriate amount must be retained in the operating reserve for projected administrative expenses.
- 22.4.3. Board of Commissioners Approval for Operating Reserve Expenditures. The Board of Commissioners must approve the expenditure of any operating reserves which may be made for other housing purposes. The Board, in approving such expenditures, must make an affirmative determination that the expenditures are necessary and reasonable for other housing purposes consistent with RHA's authority under state and local law.

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23. RHA WORKFORCE DEVELOPMENT PROGRAM

The Workforce Development program is designed to assist families and youth participating in the Housing Choice Voucher (HCV) and Public Housing (PH) programs in achieving economic self-sufficiency by providing educational and employment support.

23.1. OUTREACH

23.1.1. The Authority will notify and recruit participants from eligible families through its newsletters, resident council meetings, flyers, Housing Choice Voucher (HCV) briefings and referrals from housing authority staff. During their annual reexamination, families will be informed about the program by staff and eligible families will be encouraged to apply. This ensures that both minority and non-minority groups are informed of the program.

Workforce Development Coordinators will review various lists (which may include but is not limited to those that are unemployed, those with an earned income of less than, \$10,000, or those that are approaching full contract rent) of HCV and PH families periodically to contact and explain the program benefits and encourage them to join the program.

Coordinators will distribute occasional newsletters, brochures, or additional marketing material to families informing them of employment and job training opportunities, education, community workshops and supportive services available.

23.2. SELECTION PROCESS

23.2.1. Participants will be solicited from current HCV and PH families.

23.2.1.1. Agency procedures will ensure there is no discrimination with regard to race, color, religion, sex, disability, familial status or national origin. The family must be in good standing with the Authority, meaning they are not in eviction or termination proceedings and are otherwise in compliance with program requirements including any repayment agreements.

23.2.1.2. The family must be interested and have the motivation to participate with the Workforce Development Coordinator to:

- Attend Workforce Development in-house workshops that will focus on employment goals.
- Attend career fairs and/or conduct job searches.
- Maintain employment.
- Set and attain goals.
- Increase employment skills and/or enroll in higher education classes.

23.3. PROGRAMS OFFERED

23.3.1. Workforce Development

23.3.1.1. The Workforce Development Program is designed for HCV and PH adult participants with clearly defined goals and vision for their path to self-sufficiency. Highly motivated participants with a concise plan to self-sufficiency will be recommended to this program.

23.3.2. Youth Workforce Development – Start Smart

23.3.2.1. The Youth Workforce Development program is designed to assist HCV and PH

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youth in establishing short and long term educational and career goals. The Youth Workforce Development Coordinator will assist youth ages 14-18 who are not the head, co-head, or spouse in establishing and achieving goals of higher education, vocational training, military service, employment and more.

23.4.FAMILY SELF-SUFFICIENCY FUNDS

23.4.1. The Self-Sufficiency Funds are designed to cover specific costs associated with self-sufficiency activities and is used whenever possible to assist program participants in achieving their self-sufficiency goals. Participants in the Workforce Development Programs will have the opportunity to request self-sufficiency funds in order to overcome a specific barrier towards their self-sufficiency. Workforce Development participants may be eligible to receive funding from one of three self-sufficiency funds:

Interim escrow disbursement: a portion of the participants' escrow funds disbursed before completion of the Contract of Participation (CoP).

RHA hardship disbursement: funding through RHA's MTW WFD activity.

Barrier reduction fund disbursement: funding from forfeited escrow funds.

If the WFD participant has the funds requested in their escrow account, they must request an interim escrow disbursement before requesting hardship funds or barrier reduction funds, unless otherwise approved by the Director of Resident Services.

23.4.2. In order to determine if the participant is eligible for the disbursement of Self-Sufficiency Funds, their request will be reviewed by a committee consisting of no less than three housing authority staff members. This committee will take into account a variety of factors consisting of the severity of the participants need, the participants history, and if the funds will further the participants self-sufficiency goals.

23.4.2.1. Self-Sufficiency Funds may be disbursed for the following reasons, but are not limited to:

- Educational Training Expenses
- Job Training
- Job Retention Expenses
- Transportation
- Health Services
- Alcohol/Drug Abuse Prevention
- Child Care Expenses
- Individual Development
- Technical Skills Expenses
- ESL Expenses

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23.4.3. WFD participants are eligible to receive funds from these three accounts if the funds will be used to help the participant become self-sufficient. Barrier reduction fund requests must directly tie to an Individual Training and Service Plan (ITSP) goal (i.e. a computer to complete online courses) and must be approved by the Director of Resident Services. Hardship fund requests may not directly tie to an ITSP goal but shall be used to help a participant overcome a barrier to self-sufficiency. Hardship fund requests must be approved by majority vote through the RHA Hardship Committee, consisting of a minimum of three staff members from varying departments.

- Self-sufficiency fund disbursements of any kind are limited to once every six months.

23.5.COMPLETION OF CONTRACT OF PARTICIPATION

23.5.1. Completion of the contract occurs when the Authority determines that the family has fulfilled all of its responsibilities under the contract and has gained employment.

23.6.TERMINATION FROM WORKFORCE DEVELOPMENT PROGRAM

23.6.1. A family or participant can be terminated from any Workforce Development Program due to the following:

- Voluntary withdrawal of the family from the Workforce Development Program
- Mutual consent of the parties
- By such other act deemed inconsistent with the goals and purposes of the Workforce Development Program
- By operation of law
- A participant receives non-compliance reports and fails to acknowledge or communicate with Workforce Development Coordinator
- Termination of HCV or Public Housing assistance
- Failure to cooperate with Housing Authority staff

23.6.2. If the participant violates the terms of their dwelling lease, both housing assistance and the Workforce Development contract may be terminated by the Authority. If housing assistance is terminated, the Workforce Development contract is terminated.

23.6.3. Termination of the Workforce Development contract of participation does not automatically terminate the family's housing assistance. WFD households exiting the program due to unsuccessful exit will retain the right to occupancy according to their lease, the ACOP, or the Rental Assistance Administrative Plan.

23.6.3.1. If the CoP is terminated, the participant will forfeit their savings earned during participation. Forfeited escrow monies will be put into an RHA account to be used for the benefit of WFD families. There are a few circumstances in which a termination with escrow disbursement may occur:

23.6.3.1.1. RHA and family agree that one or more services/resources are both critical and unavailable.

23.6.3.1.2. The Head of FSS family becomes permanently disabled and unable to work after having earned escrow and there is no

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other household member able or willing to assume the CoP.

23.6.3.1.3. The family ports in a situation where they are unable to continue the CoP, but have not yet met the requirements for graduation and RHA determines that there is good cause for termination with escrow disbursement.

23.7. WITHHOLDING OF SUPPORT SERVICES

23.7.1. When a family fails to comply with the requirements of the contract of participation, the Authority will notify the family that they must set up an appointment with the Workforce Development Coordinator within 10 days. They must set up a plan to correct the failure. Proof of compliance or corrective action must be provided in writing by the negotiated deadline or support services may be withheld.

23.8. GRIEVANCE AND HEARING PROCEDURES

23.8.1. There are specific grievance and hearing procedures available to participants. Public Housing participants have a separate hearing procedure adopted by the Board of Commissioners which includes an informal discussion process to resolve and problems before a formal hearing is held.

23.9. ASSURANCE OF NON-INTERFERENCE

23.9.1. The Authority certifies that a family's decision to not participate in the Workforce Development Program will not affect its admission into an assisted housing program or right to occupancy in accordance with its lease.

23.10. CERTIFICATION OF COORDINATION

23.10.1. In order to assure there is no duplication of services and activities, the Authority partners with approximately 78 agencies through the PCC/NET group consisting of agencies that focus on helping clients achieve self-sufficiency. These agencies include the City of Reno, Charles Schwab and Wells Fargo Banks, Job Opportunities of Nevada, Nevada Job Connect, Truckee Meadows Community College (TMCC), TMCC Re-Entry Center, University of Nevada Reno (UNR), Healthy Families, Community Services Agency (CSA), and the Washoe County School District. The PCC/NET group meet quarterly and is divided into sections that have the following foci: family issues, education/employment, housing/finances, and legal services. The Authority certifies that services and activities are coordinated with the PCC/NET agencies.

23.11. WORKFORCE DEVELOPMENT PLAN FOR ESCROW ACCOUNT

23.11.1. Traditional FSS families receiving escrow monies will be grandfathered into the Workforce Development Program. These families will receive the same services as the Traditional FSS Program. The Traditional FSS Program participants will be known as Workforce Development participants.

23.11.2. An escrow account will be established and maintained for each participating family in accordance with federal regulations. An annual escrow account report will be provided to each family.

23.11.3. In order to receive the escrow account, the Workforce Development family must be independent of welfare assistance at the time of the end of the contract of participation. In this instance, welfare assistance means income assistance from federal or state welfare programs including TANF, SSI that is subject to an income eligibility test, and general assistance. It does not include transitional Medicaid or childcare for JOBS participants or SSI payments to guardians of disabled children.

23.11.4. Funds in the escrow account will be forfeited if any of the following occur:

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- The contract of participation is terminated.
- The Authority determines that the head of household of the participating family has failed to fulfill the terms of the contract and any extension thereof.
- Withdrawal of the family from the Workforce Development Program.
- Mutual consent of the parties.
- By such other act deemed inconsistent with the purposes of the Workforce Development Program.
- By operation of law.
- Termination of HCV or Public Housing assistance.
- The contract of participation is completed by the family, but they are receiving welfare assistance when the contract expires, including any extension thereof.

23.11.5. If a family is interested in funding to supplement the amount in their escrow account for down payment and/or closing cost assistance for homeownership, the Workforce Development Coordinator will assist the family in these efforts by collaborating with the NET/PCC members to determine if funding is available in the community.

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~~December 1, 2023~~ March 1,**24. OWNER OUTREACH**

RHA encourages owners of decent, safe and sanitary housing units to lease to voucher households, especially if the units are located outside areas of poverty or minority concentration.

24.1.COMMUNITY ENGAGEMENT

RHA staff members have working relationships with owners, property managers and other real estate organizations. They attend community meetings on request to explain the voucher program, including requirements for equal opportunity, nondiscrimination, fair housing and the Americans with Disabilities Act. A newsletter is occasionally used to keep private owners informed of changes in program requirements, whether regulatory or legislative. An outreach brochure is used to acquaint owners and managers with the opportunities available under the program and to recruit new owners.

24.2.LANDLORD INCENTIVE PROGRAM (EFFECTIVE 10/1/2017, UPDATED 7/1/2023)

24.2.1. Implemented Incentives

24.2.1.1. Payment beyond the move-out.

24.2.1.1.1. The Landlord Incentive Program (LIP) allows landlords to receive their contracted HAP payment through the end of the month as well as an amount no less than the contracted HAP payment and no more than the full contract rent for the following month, for units occupied by voucher participants vacating under the following conditions:

- Deceased tenant
- Evictions for cause
- Vacating unit without proper notice (skip)
- Violation of family obligations resulting in termination of housing assistance

24.2.1.1.2. Damages to the unit that are proven to exceed the security deposit (effective 9/1/19, updated 7/1/23). An additional payment, equivalent to no less than the contracted HAP payment and no more than one month of contract rent, may be requested by the landlord. Requests must be made in writing to the Director of Rental Assistance, no more than 30 calendar days from the date of the action which resulted in the unit being vacated. The landlord must provide an itemized written accounting of charges that has also been provided to the participant upon termination of the tenancy, such as a Security Deposit Settlement Statement that demonstrates repairs of damage to the unit exceeding the security deposit.

24.2.1.1.3. Landlords are eligible for payment beyond the move-out date through the LIP utilizing one of the five conditions above. At no time will a landlord be allowed to claim more than one payment by using a combination of the five conditions identified.

24.2.2. Incentives to be implemented at a future date

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24.2.2.1. Re-Lease Bonus

24.2.2.1.1. Current HCV landlords who sign a HAP Contract to lease the same unit to another HCV program participant will automatically receive a \$500 re-lease bonus.

24.2.2.2. Referral Bonus

24.2.2.2.1. Current landlords who refer a new landlord to the HCV program will be eligible for an automatic \$1,000 referral bonus.

24.2.2.2.2. In order to qualify for the referral bonus, the new landlord must be one who has never leased to one of RHA's HCV program participants before.

24.3. EMERGENCY HOUSING VOUCHER (EHV) INCENTIVE PROGRAM

24.3.1. Households assisted with an EHV are eligible to receive additional assistance for the following items, upon request by their Case Manager:

24.3.1.1. Security deposits

24.3.1.1.1. Any security deposit balance remaining at the end of the tenancy must be returned to the RHA.

24.3.1.2. Utility deposits/utility arrears

24.3.1.3. Application and/or holding fees

24.3.1.4. Rental arrears to private landlords – initial EHV lease ONLY.

24.3.1.4.1. RHA may pay some or all of the applicant's rental arrears to a private landlord, so long as the arrears are a barrier to leasing the EHV unit.

24.3.1.5. Moving expenses – initial EHV lease ONLY.

24.3.1.5.1. RHA may pay some or all of the family's reasonable moving expenses (including move-in fees, storage expenses, lock change fees, and deposits) when they initially lease a unit with the EHV.

24.3.1.6. Pre-Tenancy services and services that support EHV families in fulfilling their family obligations under the EHV program.

24.3.1.6.1. RHA may pay fees for families to obtain vital documents needed to establish eligibility for the program, such as the cost to obtain a birth certificate.

24.3.1.6.2. RHA will pay up to \$500 to assist the family with acquiring essential household items (such as tableware, bedding, furniture, toiletries, cleaning supplies, etc.). RHA will require households to submit receipts in order to receive reimbursement.

24.3.2. Landlords renting to an EHV household are automatically provided the following incentives:

24.3.2.1. A \$1,000 Lease Signing Bonus upon execution of an initial HAP Contract.

24.3.2.2. A \$750 Lease Renewal Bonus upon receipt of a lease renewal for a term greater than one month. This is a one-time bonus per tenancy and only applies to the first renewal.

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- 24.3.3. Additionally, landlords renting to an EHV household have access to a \$2,000 Risk Mitigation Fund in order to a) remedy unit deficiencies required to pass ~~the initial~~ inspection and/or b) reimburse damages in excess of the security deposit which are discovered upon move-out of the tenant.
- 24.3.3.1. In order to access funds to prepare a unit for tenancy or to maintain a unit during tenancy, landlords will be required to provide documentation of the actual cost of the repairs, and those repairs must be determined to be essential for the approval of the unit. Funds will not be distributed until a HAP Contract has been executed, or for maintaining a unit during tenancy, until the unit has passed the inspection.
- 24.3.3.2. In order to access funds to address damages discovered after move-out, landlords will be required to provide documentation of the actual cost of the repairs and the amount of the security deposit. Payments made under this incentive will not exceed the actual cost of the repairs in excess of the security deposit.
- 24.3.3.2.1. Landlords receiving funds from the EHV Risk Mitigation Fund due to damages in excess of the security deposit are NOT eligible to receive assistance for the damages under the traditional Landlord Incentive Program.
- 24.3.3.3. Landlords may receive assistance under both of these categories for a single tenancy; however, the combined assistance provided under these categories will not exceed \$2,000.
- 24.3.4. Access to these funds is not limited to a certain number of applications; however, households are only eligible to receive this assistance for their first 2 years on the program OR their first 2 tenancies, whichever is sooner.

24.4.LIST OF COMPLEXES ACCEPTING VOUCHERS

Periodically RHA evaluates the demographic distribution of assisted households to provide more choices and better housing opportunities to households. Voucher holders are informed of the areas where they may lease units inside RHA's jurisdiction. A list of units available for the voucher Program is maintained by location inside and outside areas of poverty concentration. This list is updated whenever new information is received and is provided at briefings and is available from the receptionist.

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25. PROGRAM INTEGRITY ADDENDUM

RHA is committed to ensuring that the proper level of benefits is paid to all participating households and that housing resources reach only income-eligible households so that program integrity can be maintained.

RHA will take all reasonable steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines RHA's policies for the prevention, detection, and investigation of program abuse and fraud.

25.1.CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

25.1.1. Under no circumstances will RHA undertake an inquiry or an audit of a participating household arbitrarily. RHA's expectation is that participating households will comply with HUD requirements, provisions of the voucher, and other program rules. RHA staff will make every effort (formally and informally) to orient and educate all households in order to avoid unintentional violations. However, RHA has a responsibility to HUD, the community, and eligible households in need of housing assistance to monitor participants for compliance with their lease obligations and, when indicators of possible abuse come to RHA's attention, to investigate such claims.

25.1.2. RHA will initiate an investigation of a participating household only in the event of one or more of the following circumstances:

25.1.2.1. *Referrals, Complaints, or Tips.* RHA will follow up on referrals received from other agencies, companies, or persons alleging that a household is in noncompliance with or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the household's file.

25.1.2.2. *Internal File Review.* A follow-up will be made if RHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review) information or facts that conflict with previous file data, RHA's knowledge of the household, or statements made by the household.

25.1.2.3. *Verification or Documentation.* A follow-up will be made if RHA receives independent verification or documentation that conflicts with representations in the household file (such as public record information or reports from credit bureaus or other agencies).

25.2.STEPS RHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

25.2.1. *Briefing Session.* Mandatory orientation sessions will be conducted for all prospective program participants either prior to or upon issuance of a voucher. At the conclusion of all briefing sessions, the household representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

25.3.STEPS RHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

RHA staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted households.

25.3.1. *File Reviews.* Prior to initial certification and at the completion of all subsequent recertifications, each participant file will be reviewed. At a minimum, such reviews shall examine:

25.3.1.1. Changes in reported Social Security numbers or dates of birth

25.3.1.2. Authenticity of file documents

25.3.2. *Observation.* RHA management and occupancy staff (to include inspection personnel) will

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maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

- 25.3.3. Public Record Bulletins. These bulletins may be reviewed by management and staff.
- 25.3.4. State Wage Data Record Keepers. Inquiries to state wage and employment record-keeping agencies, as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.
- 25.3.5. Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:
- 25.3.5.1. When an allegation is received by RHA wherein unreported income sources are disclosed
 - 25.3.5.2. When a participant's expenditures exceed his/her reported income and no plausible explanation is given.
- 25.3.6. Enterprise Income Verification. RHA will use HUD's Enterprise Income Verification system to review information reported to national databases from the Social Security Administration, state agencies, and employers, against information obtained from the client.

25.4. RHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

- 25.4.1. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up.
- 25.4.2. File Review. An internal file review will be conducted to determine whether the subject of the allegation is a client of RHA and, if so, whether the information reported has been previously disclosed by the household. RHA will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.
- 25.4.3. Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable an investigation will be initiated to determine if the allegation is true or false.

25.5. HOW RHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

- 25.5.1. If RHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the Executive Director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, RHA will secure the written authorization from the program participant for the release of information.
- 25.5.1.1. Credit Bureau Inquiries. In cases involving previously unreported income sources, a Credit Bureau inquiry may be made to determine whether the financial activity of a household conflict with the household's reported income.
 - 25.5.1.2. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.
 - 25.5.1.3. Neighbors/Witnesses. Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to RHA's review may be interviewed.
 - 25.5.1.4. Other Agencies. Investigators, caseworkers, or representatives of other benefit

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agencies may be contacted.

25.5.1.5. *Public Records*. RHA will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

25.5.1.6. *Interviews with Head of Household or Family Members*. RHA will discuss the allegation (or details thereof) with the head of household or household members by scheduling appointments at the appropriate RHA office.

25.6. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY THE PHA

Documents and other evidence obtained by RHA during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among RHA staff that are involved in the process or have information that may assist in the investigation.

25.7. CONCLUSION OF RHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether the facts are conclusive and, if so, whether a violation has or has not occurred.

25.8. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

- 25.8.1. What type of violation has occurred (procedural noncompliance or fraud)
- 25.8.2. Whether the violation was intentional or unintentional
- 25.8.3. What amount of money (if any) is owed by the household
- 25.8.4. Whether the household is eligible for continued occupancy

25.9. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED

Once a program violation has been documented, RHA will propose the most appropriate remedy based upon the type and severity of the violation.

25.9.1. Procedural Noncompliance. This category applies when the household "fails to" observe a procedure or requirement of RHA but does not misrepresent a material fact and there is no retroactive rent owed by the household. Examples of noncompliance violations are:

- 25.9.1.1. Failure to appear at a prescheduled appointment
- 25.9.1.2. Failure to return verification in the time period specified by RHA

25.9.2. Warning Notice to the Household. In such cases a notice containing the following will be sent to the household:

- 25.9.2.1. A description of the noncompliance and the procedure, policy, or obligation that was violated
- 25.9.2.2. The date by which the violation must be corrected or the procedure complied with
- 25.9.2.3. The action that will be taken by RHA if the procedure or obligation is not complied with by the date specified by RHA

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25.9.2.4. The consequences of repeated (similar) violations

25.10. PROCEDURAL NONCOMPLIANCE – OVERPAID ASSISTANCE

25.10.1. When the household owes money to RHA for failure to report changes in income or assets, RHA will issue a notice of overpayment of assistance. This notice will contain the following:

- 25.10.1.1. A description of the violation and the date(s)
- 25.10.1.2. Any amounts owed to RHA
- 25.10.1.3. The number of days within which a response must be received
- 25.10.1.4. Acknowledgment of the household's right to disagree and to request an informal hearing along with instructions for requesting such a hearing
- 25.10.1.5. Participant Fails to Comply with RHA's Notice. If the participant fails to comply with RHA's notice and a household obligation has been violated, RHA will initiate termination of assistance.
- 25.10.1.6. Participant Complies with RHA's Notice. When a participant complies with RHA's notice the staff person responsible will meet with them to explain and discuss the household obligation or program rule that was violated. The staff person will complete a participant counseling report, give one copy to the household, and retain a copy in the household's file.

25.11. INTENTIONAL MISREPRESENTATIONS

When a household falsifies, misstates, omits, or otherwise misrepresents a material fact that results (or would result) in an overpayment of housing assistance by RHA, RHA will evaluate whether or not:

- The participant had knowledge that their actions were wrong (this will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The tenant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing).
- The participant willfully violated the household obligations or the law

25.11.1. If the application contains intentional misrepresentations of income, RHA will charge the family all Housing Assistance Payments made on behalf of the family while receiving assistance.

25.12. WILLFUL INTENT

Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation
- Repetition of the misrepresentation
- Use of a false name or Social Security number
- Admissions of the illegal action or omission by the participant to others.
- Omission of material facts known to the participant (e.g., employment of the tenant or other household member)
- Falsification, forgery, or altering of documents
- Uttering and certifying to statements at a rent (re)determination that are later independently verified to be false

25.13. TENANT COUNSELING FOR MINOR LEASE VIOLATIONS AND MINOR PROGRAM RULE VIOLATIONS

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25.13.1. The RHA may issue a client a Tenant Counseling Report, which will remain in the client's file, when notified by an owner of repeated minor lease violations or indicated by RHA staff for minor program violations. The purpose of a tenant counseling report is to review expectations outlined in the lease and/or Voucher Family Obligations before further violations impact a client's housing assistance.

25.13.2. Tenant Counseling Reports will be issued in writing and may also require an in-person appointment.

25.14. DISPOSITIONS OF CASES INVOLVING MISREPRESENTATION

In all cases of misrepresentations involving efforts to recover monies owed, RHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

- Terminate tenancy and demand restitution in full
- Terminate tenancy and execute an administrative repayment agreement in accordance with RHA's repayment policy
- Terminate tenancy and pursue restitution through civil litigation
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with RHA's repayment policy

25.15. NOTIFICATION TO PARTICIPANT OF PROPOSED ACTION

RHA will notify the household of the proposed action by certificate of mailing no later than 14 days after the case conference.

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26. PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**26.1. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**

RHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the Housing Authority will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to RHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the Housing Authority.

26.2. ORAL INTERPRETATION

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, RHA will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person.

OR

- 26.2.1. RHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.
- 26.2.2. Where feasible, RHA will train and hire bilingual staff to be available to act as interpreters and translators. Where feasible and possible, the Housing Authority will encourage the use of qualified community volunteers.
- 26.2.3. Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by RHA. The interpreter may be a family member or friend.

26.3. WRITTEN TRANSLATION

In order to comply with written translation obligations, RHA will take the following steps:

- 26.3.1. RHA will provide written translations of vital documents for each eligible LEP language group that constitutes five percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed can be provided orally.

26.4. IMPLEMENTATION PROCEDURES

- 26.4.1. After completing the four-factor analysis RHA has determined that language assistance services are needed only for Spanish speaking populations at this time. Written procedures to address the identified needs of the LEP Spanish speaking population will be developed.
- 26.4.2. The following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

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27. ENTERPRISE INCOME VERIFICATION (EIV)

The U.S. Department of Housing and Urban Development (HUD) is actively involved in implementing and maintaining Departmental policies and procedures to keep its Systems secure from unauthorized access and inappropriate use. In compliance with various security-related Federal laws and regulations, HUD created rules of behavior for the Enterprise Income Verification (EIV) system. Reno Housing Authority will use the EIV tool to obtain Up-Front Income Verifications (UIV) data.

27.1. RESPONSIBILITIES

HUD as the System Owner is responsible for ensuring that an adequate level of protection is afforded to the EIV system through an appropriate implementation of technical, operational, and managerial security controls. EIV system users are responsible for the protection of passwords, information, equipment, systems, networks, and communication pathways to which they have access. All HUD computer resources including hardware, software, programs, files, paper reports, and data are the sole property of HUD. To meet these responsibilities, RHA staff will do the following:

- 27.1.1. Be assigned specific computers with internet access to Secure Systems.
- 27.1.2. Receive security training prior to accessing the system or viewing printed material and annually thereafter.
- 27.1.3. Will maintain a log with the signed Acknowledgement of Security Training by a designated Security Administrator.
- 27.1.4. Receive EIV system training if accessing EIV electronically
- 27.1.5. Designate staff that are to be approved by HUD as User Administrators of HUD's EIV system.

27.2. SECURITY

- 27.2.1. Only staff with clearance obtained through User Administrators of each department will be able to access Secure Systems.
- 27.2.2. Users shall be held accountable for their actions while accessing the system.
- 27.2.3. All computer resources are monitored and audited.
- 27.2.4. Users should contact their supervisor and the HUD Security Officer immediately regarding any suspected violation or breach of system security.
- 27.2.5. The User Administrator(s) must certify all of the Authority's EIV users online through HUD's Secure System as required by HUD.

27.3. APPLICATION RULES

Assigned RHA staff will review the user agreement rules of behavior before entering the EIV website (Web Access Security System (WASS)). A HUD issued User ID and password is to be used solely in connection with the performance of the user's responsibilities and may not be used for personal or private gain.

- 27.3.1. *Unauthorized disclosure* can result in a felony conviction and a fine of up to \$5,000 and/or imprisonment up to five (5) years, as well as civil penalties.
- 27.3.2. *Unauthorized inspection* of UIV data can result in a misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.
- 27.3.3. Users of the system may view the Income Report for the applicable household when required by regulation.

27.4. EIV REPORTS.

- 27.4.1. RHA staff will monitor the following reports on a monthly basis:

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- 27.4.1.1. Deceased Tenants Report
- 27.4.1.2. Identity Verification Report
- 27.4.1.3. Immigration Report
- 27.4.1.4. Multiple Subsidy Report
- 27.4.1.5. Income Verification Tool

27.4.2. RHA staff will update the Enterprise Income Verification (EIV) database system with the amount of the debt owed to the agency in accordance with HUD's Debts Owed to Public Housing Agencies and Terminations policy.

27.5.PRINTED DATA SECURITY

- 27.5.1. Assigned staff will maintain a log of access to the Secure Files and will monitor access to the printed EIV reports ensuring that the reports are returned to the Secure Files or shredded (if applicable) by the end of each day. Assigned staff will also maintain a log of all printed EIV Income Reports that have been shredded.
- 27.5.2. All staff receiving keys to the Secure Files cabinet containing EIV data will sign an acknowledgement of receipt of keys and a log of staff with keys will be maintained.

27.6.USE OF EIV

- 27.6.1. RHA staff will use EIV as required by HUD regulations.
- 27.6.2. When EIV is available and the family does not dispute the EIV data, RHA will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs, RHA will obtain 6 weeks current, consecutive pay stubs.
- 27.6.3. RHA will obtain third-party verifications in the following cases:
 - 27.6.3.1. EIV data is not available.
 - 27.6.3.2. Family disputes the accuracy of EIV data.
 - 27.6.3.3. RHA determines additional information is required.
- 27.6.4. A copy of the ICN will be placed in the file for interims when the complete report is not printed.

27.7.RETENTION OF EIV

- 27.7.1. EIV reports printed after September 1, 2010 will be maintained for the duration of tenancy and three years after the end of participation. EIV reports printed prior to September 1, 2010 may have been disposed of prior to the end of tenancy due to HUD guidance that stated reports needed to be shredded within two years of print date.

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28. HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT OF 2016 (HOTMA)

On July 29, 2016, the Housing Opportunities Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA makes numerous amendments to Sections 3, 8, and 16 of the United States Housing Act of 1937 (1937 Act), including changes to income calculations and certifications. HUD finalized HOTMA rulemaking in 2023 to put Sections 102, 103, and 104 into effect through revisions to HUD's regulations found in 24 CFR Part 5 and 24 CFR Part 891.

RHA will implement all provisions of HOTMA by January 1, 2025 in accordance with regulations.

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~~December 1, 2023~~ March 1,**APPENDIX 1 - DEFINITION OF TERMS**

ABATEMENT OF HAP. When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by RHA, the assistance payment to the owner will be abated (withheld). If the owner makes repairs during the abatement period, payment will resume on the day the repairs were completed. The owner will receive no payment from RHA for the period the unit was in abatement. [24 CFR 982.405, 982.453]

ABSORPTION. In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portable household. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACTUAL COSTS. Actual cost of repair or replacement and labor charges incurred by the owner/manager to bring the unit to a re-rentable condition. Appropriate documentation such as invoices, receipts, or completed work orders must be submitted to document such costs.

ADJUSTED INCOME. Annual Income minus any HUD-allowable deductions.

ADMINISTRATIVE PLAN. The HUD required written policy of RHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by RHA.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and RHA where HUD agrees to provide funding for operation of the program and RHA agrees to comply with HUD requirements for the program.

ANNUAL INCOME. The gross amount of income anticipated to be received by the household during the 12 months after certification or the actual annual income based on the income received or earned within the last 12 month prior to recertification. Gross income is the amount of income prior to any HUD-allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

APPLICANT. For the purposes of this document, the term "applicant" includes the head of household, spouse, all dependents, and all other adult members of the household and their dependents.

CHILD CARE EXPENSES. Amounts paid by the household for the care of minors under 13 years of age where such care is necessary to enable a household member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A household never has a Co-head and a Spouse; and; a Co-head is never a Dependent.)

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the household is already receiving assistance under any 1937 Housing Act program when the household is admitted to the voucher program.

DATE OWNER/MANAGER LEARNS OF VACANCY. The date the owner/manager has actual knowledge or, through the employment of reasonable management practices, should have knowledge of the vacancy.

DECENT, SAFE AND SANITARY HOUSING. See National Standards for the Physical Inspection of Real Estate.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). The agency of the federal government responsible for monitoring Public Housing Authorities.

DEPENDENT. A member of the household (excluding foster children) other than household head or spouse, who is under 18 years of age or is a full-time student or disabled or handicapped.

DISABLED FAMILY. A household whose head, (including co-head), spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

DISABLED PERSON. "Disabled Person" means a person who is under a disability as defined in Section 223 of the Social Security Act or in Section 102 (5) of the Developmental Disabilities Services and Facilities Construction

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Amendments of 1970, or who is handicapped as defined in this Part. Section 223 of the Social Security Act defines "disability" as:

- a. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months; or
- b. In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in Section 416(1) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time. Section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, defines "disability" as: a disability attributable to mental retardation, cerebral palsy, epilepsy or another neurological condition of an individual found by the Secretary (of Health, Education and Welfare) to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen, which has continued or can be expected to continue indefinitely and which constitutes a substantial handicap to such individual.

DISPLACED FAMILY. A family whose head (including co-head), spouse, or sole member is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

DRUG-RELATED CRIMINAL ACTIVITY. Drug-trafficking; or illegal use, or possession for personal use, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

DRUG TRAFFICKING. The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

ELDERLY FAMILY. A household whose head, (including co-head), spouse, or sole member is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live in aides.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY. A household which qualifies based on Section 2.1 and which meets the other requirements of this Administrative Plan. The term "Family" includes Elderly, Handicapped, Disabled Person, the remaining member of a tenant household, or a single person. The definition does not exclude persons living alone during the temporary absence of a household member who will later live regularly as part of the household.

ELIGIBLE IMMIGRATION STATUS. 24 CFR 5, Subpart E.

- a. Restrictions on assistance. Financial assistance under the programs covered by this subpart is restricted to:

Citizens; or

Noncitizens who have eligible immigration status in one of the following categories:

A noncitizen lawfully admitted for permanent residents, as defined by Section 101(a)(30) of the Immigration and Nationality Act (INA)(8 U.S.C. 1101 (a)(20) and 1101 (a)(15), respectively) (immigrants). (This category includes a noncitizen admitted under Section 210 or 210A of the INA (8 U.S.C. 1160 or 1161) who has been granted lawful temporary resident status);

A noncitizen who entered the United States before January 1, 1972, or such later date as enacted by law, and has continuously maintained residence in the United States since then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);

A noncitizen who is lawfully present in the United States pursuant to an admission under Section 207 of the INA (8 U.S.C. 1157) (refugee status); pursuant to the grant of asylum (which has not been terminated) under Section 208 of the INA (8 U.S.C. 1153 (a)(7)) before April 1, 1980, because of persecution or fear of

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persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity;

A noncitizen who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons deemed strictly in the public interest under Section 212 (d)(5) (parole status);

A noncitizen who is lawfully present in the United States as a result of the Attorney General's withholding deportation under Section 243(h) of the INA (8 U.S.C. 1253(h)) (threat to life or freedom); or

A noncitizen lawfully admitted for temporary or permanent residence under Section 245 A of the INA (8 U.S.C. 1255(a) amnesty granted under INA 245 A).

b. Family eligibility for assistance.

A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, as described in paragraph (a) of this section;

Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance provided in 24 CFR 5.516 and 5.518. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance as provided in 24 CFR 5.516 and 5.518.

EXTREMELY LOW-INCOME FAMILY. A household whose income does not exceed 30 percent of the median income for the Metropolitan Service Area (MSA), as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

FAIR MARKET RENT (FMR). The rent, including utilities (except telephone), ranges and refrigerators and of maintenance, management and other services which, as determined at least annually by HUD would be required to be paid in order to obtain privately-owned existing, decent, safe, and sanitary rental housing of a modest (non-luxury-type unit) nature with suitable amenities. Separate Fair Market Rents shall be established for units of varied size (number of bedrooms) and types (e.g., small, elevator, non-elevator). Also known as Metro Area Fair Market Rents (MAFMRs).

FAMILY (HOUSEHOLD). "Family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- a. A single person, who may be an elderly person, displaced, person, disabled person, near-elderly person or any other single person; or
- b. A group of persons residing together, and such group includes, but is not limited to:
 - i. Households with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - ii. An elderly family;
 - iii. A near-elderly family;
 - iv. A displaced family;
 - v. A disabled family;
 - vi. The remaining member of a tenant family; and
 - vii. A minor who has been awarded a decree of emancipation by a competent court having jurisdiction over said minor.

Also included in the Family may be:

- a. Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively. (There will be a self-certification required of households who claim joint custody or temporary guardianship.)

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- b. Other persons who will live regularly as part of the Family group, including foster children and members of the Family temporarily absent, and whose income and resources are available for use in meeting the living expenses of the group.
 - c. Lodgers may not be included in the Family.

FAMILY SHARE. The amount calculated by subtracting the Housing Assistance Payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a household, as determined by RHA under RHA's subsidy standards.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis (carrying a load that is considered full-time for day students under the standards and practices of the educational institution attended).

GROSS RENT. The rent to owner plus any allowance for utilities and other services.

HANDICAPPED PERSON. A person having an impairment which:

- a. Is expected to be of long, continued and indefinite duration,
- b. Substantially impedes his/her ability to live independently, and
- c. Is of such a nature that such disability could be improved by more suitable housing conditions.

HATE CRIME. Actual or threatened physical violence or intimidation that is directed against a person or his/her property and that is based on the person's race, color, religion, sex, national origin, handicap, or familial status.

HEAD OF HOUSEHOLD. The adult household member or emancipated minor who is held responsible and accountable for the household.

HIGH-RISE. Includes buildings of five stories or more with an elevator.

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT. A written contract between RHA and the Owner/manager for the purpose of providing Housing Assistance Payments to the Owner/manager on behalf of an eligible household.

HOUSING QUALITY STANDARDS (HQS). The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program or the HUD approved alternative standard for the PHA under 24 CFR 5.703.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED ASSET INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$10,000.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a household as a result of a specified welfare benefit reduction but is included in the household's annual income and therefore reflected in the household's rental contribution.

INCOME. The types of money which are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations.

INCOME LIMITS. The maximum annual income a household may have to be eligible for rent assistance as determined by HUD (Appendix 2).

INITIAL PHA. In portability, the term refers to both:

- a. A PHA that originally selected a household that later decides to move out of the jurisdiction of the selecting PHA; and
- b. A PHA that absorbed a household that later decides to move out of the jurisdiction of the absorbing PHA.

LANDLORD. This term means either the owner of the property or his/her representative or the managing agent or

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his/her representative, as shall be designated by the owner.

LEASE. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a household with Housing Assistance Payments under a HAP Contract between the owner and RHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's household with Housing Assistance Payments to the cooperative under a HAP Contract between the cooperative and RHA.

LEASE ADDENDUM. For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and would not be living in the unit except to provide necessary supportive services.

LOW-INCOME FAMILY. A household whose income does not exceed 80 percent of the median household income for the area, as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

LOW-RISE. Includes multifamily apartment buildings of five or more units and up to four stories. Also include five or six story buildings without an elevator as low-rise structures.

MANUFACTURED HOME. Includes mobile homes.

MAXIMUM INITIAL RENT BURDEN. Any new admission or any household who moves may not pay more than 40 percent of adjusted monthly income toward the initial rent for the unit if the gross rent for the unit is greater than the applicable payment standard for the household. This limit applies only at time of initial leasing of a unit, not after. If it is determined that particular unit sizes in RHA's jurisdiction have payment standard amounts that are creating rent burdens for households, RHA will modify its payment standards for those particular unit sizes.

MEDICAL EXPENSES. Those medical expenses which are to be anticipated during the period for which the Annual Income is computed, and which are not covered by insurance (however, premiums for such insurance may be included as medical expenses). When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be doctor recommended with a specific dosage in order to be considered a medical expense.

MINIMUM RENT AND MINIMUM FAMILY CONTRIBUTION. Minimum rent in the Voucher Program is \$100. This includes the combined amount (TTP) a household pays towards rent and/or utilities.

MINOR. A member of the household (excluding foster children) other than household head or spouse who is under 18 years of age.

MIXED FAMILY. A household with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3).

MOBILITY PROGRAM. Under the Moving to Work demonstration program, RHA will be purchasing, rehabilitating, and assigning Project-Based Vouchers to single family homes, duplexes, apartments, and condos in low-poverty areas. Public Housing families with children who meet eligibility requirements will have the opportunity to apply to live in these properties.

MONTHLY INCOME. 1/12 of the Annual Income (see Annual Income).

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances (see Annual Income after Allowances.)

MOVING TO WORK (MTW). A demonstration program for Public Housing Authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families.

NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE). HUD's

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inspection protocol that prioritizes health, safety, and functional deficiencies over those about appearance, with a focus on the areas that impact residents the most (such as the dwelling unit).

NEAR-ELDERLY. A family whose head (including co-head), spouse or sole member is a person who is at least 55 years of age, but below the age of 62; or two or more persons, who are at least 55 years of age, but below the age of 62 living with one or more live-in aides.

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NON-CITIZEN. A person who is neither a citizen nor a national of the United States.

NON-IMMIGRANT STUDENT ALIEN. An alien having a residence in a country which he/she has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who is admitted to the United States as a non-immigrant alien as defined in Section 101(a)(15)(F)(i) of the Immigration and Nationality Act (18) USC 1101(a)(15)(F)(i) temporarily and solely for the purpose of pursuing such full course of study at an established institution of learning or other recognized place of study in the United States. Also non-immigrant alien spouse and minor children of such student if accompanying him/her or following to join him/her.

OWNER. Any person or entity, including a cooperative, having the legal right to lease or sub-lease a dwelling unit.

PARTICIPANT. A household who is receiving HAPs on its behalf in one of the voucher programs.

PASSBOOK SAVINGS RATE. Used to determine annual income from net family assets when net assets exceed \$10,000. PHAs can establish a rate within 0.75 base points (0.75%) of the Savings National Rate as published by the FDIC. Currently set at 0.13%.

PAYMENT STANDARD SCHEDULE. The amount used to calculate the housing assistance a household will receive in the Voucher Tenancy Program. This schedule will be reviewed periodically and revised in accordance with federal regulations. A special payment standard may be established up to 5 percent above the existing amounts where physical modifications are required to dwelling units for reasonable accommodations for persons with disabilities.

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with 24 CFR 903.

PORTABILITY. Renting a dwelling unit with a voucher outside the jurisdiction of the initial Housing Authority. RHA requires applicants who were nonresidents at the time of application to live within Washoe County during the first year of assistance. [24 CFR 982.353]

PROJECT-BASED VOUCHER. These vouchers are associated with a specific unit. A tenant is assigned to the unit and must occupy that unit for a certain period of time before becoming eligible for a standard Housing Choice Voucher.

PUBLIC HOUSING AUTHORITY. Any state, county, municipality or other governmental entity or public body which is authorized to engage in or assist in the development or operation of housing for Lower-Income Families. In Washoe County, this is the Housing Authority of the City of Reno.

QUALIFIED ASSISTED FAMILY: A household who is or who has been a participant under the Voucher Program and who has not vacated a unit owing rent or other amounts under its lease with an owner/manager.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a household selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the household.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total household income used to determine the rent the tenant will pay for the next 12-36 months if there are no additional changes to be reported. There are annual and interim recertifications.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

~~December 1, 2023~~ March 1,

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other household members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

REQUEST FOR TENANCY APPROVAL (RFTA). Form HUD 52517A, which must be completed by owner/manager, signed by applicant and owner/manager and submitted along with the owner/manager's lease. This form initiates the process to determine suitability of the unit and gross rent.

RHA. Reno Housing Authority.

ROWHOUSE/TOWNHOUSE. Includes structures with three or more units side-by-side and under one roof. (multi-levels in one unit).

SECURITY DEPOSIT. The greater of the amount the owner/manager actually collected or could have collected from the tenant at the date of lease up. This cannot be less than \$50.

SECURITY DEPOSIT SETTLEMENT STATEMENT. The letter or form the owner/manager has used to summarize the status of the tenant's account at move-out (including the costs incurred to restore the unit to a rentable condition) that was submitted to the tenant for payment or refund.

SEMI-DETACHED. Includes units in duplex, triplex, four-plex and two family homes, all on one floor.

SINGLE FAMILY DETACHED. Includes building structures that house only one family under one roof.

SMALL AREA FAIR MARKET RENT (SAFMR). FMRs calculated for zip codes within metropolitan areas, which may be used as the basis for setting Exception Payment Standards.

SPOUSE. The husband or wife of the head of household.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for households of different sizes and compositions.

SUSPENSION. Stopping the clock on the term of a household's Voucher, for such period as determined by RHA, from the time when the household submits a Request for Tenancy Approval until the time RHA approves or denies the request.

TEMPORARILY ABSENT. Temporarily absent is defined as away from the unit for no more than 30 days.

TENANCY ADDENDUM. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

TENANT. For the purposes of this document, the term "tenant" includes the head of household, spouse, all dependents, and all other adult members of the household and their dependents.

TENANT DAMAGES. All destruction of property over and above normal wear and tear by a tenant. This also includes any unusual cleaning required at the time the tenant vacates.

TENANT PAYMENT. (1) A household renting a unit above the payment standard will pay the highest of 30 percent of their monthly adjusted income, 10 percent of their monthly gross income, or minimum rent, plus any rent above the payment standard. (2) A household renting a unit below the payment standard will pay as gross rent the highest of 30 percent of their monthly adjusted income, 10 percent of their monthly gross income, or minimum rent.

TENANT RENT. The amount payable monthly by the household as rent to the unit owner (voucher unit owner or RHA in Public Housing).

TOTAL TENANT PAYMENT (TTP). The total amount the HUD formula requires the tenant to pay toward rent and utilities. The portion of the gross rent payable by an eligible household (i.e., the difference between the amount of Housing Assistance Payment payable on behalf of the household and the gross rent).

UNPAID RENT. Rent owed when the tenants vacated, with or without notice, and failed to pay their portion of the rent through the end of the month.

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~~December 1, 2023~~ March 1,

UTILITIES. Includes electricity, heating, water, hot water, cooking, trash collection, sewer, stove and refrigerator. Telephone service is not included as a utility.

UTILITY ALLOWANCE. An amount determined by RHA as an allowance for the cost of utilities (except telephone) and charges for other services payable directly by the household. Where the household pays directly for one or more utilities or services, the amount of the allowance is deducted from the gross rent in determining the rent to owner and is included in the gross household contribution.

UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the household occupying the unit. (Applies only to the HUD VASH program.)

VACANCY LOSS. The loss of rent to an owner/manager from the date a Section 8 unit (other than a Voucher) is vacated and re-rented may, under certain circumstances, be reimbursable by RHA as Vacancy Loss.

VERY-LOW INCOME FAMILY. A household whose income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

VIOLENCE AGAINST WOMEN AND DEPARTMENT OF JUSTICE REAUTHORIZATION ACT OF 2005 (VAWA). The Violence against Women Act was first authorized in 1994. On January 5, 2006, President George W. Bush signed into law the Reauthorization Act. Public Law 109-162 deals with domestic violence, dating violence, sexual assault, and stalking. It specifies the forms of acceptable certification a victim must provide to RHA to be eligible for the provisions under this law. Sections 603 and 606 of Title VI of the VAWA are applicable to federally assisted housing.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

VOUCHER. A document issued by RHA to a household selected for admission to the voucher program. This document describes the program and the procedures for RHA approval of a unit selected by the household. The voucher also states the obligations of the household under the program.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 2 - INCOME LIMITS

FY 2023 INCOME LIMITS

# Persons	30% Extremely Low	50% Very Low	80% Low
1	\$20,800.00	\$34,650.00	\$55,400.00
2	\$23,750.00	\$39,600.00	\$63,300.00
3	\$26,700.00	\$44,550.00	\$71,200.00
4	\$30,000.00	\$49,450.00	\$79,100.00
5	\$35,140.00	\$53,450.00	\$85,450.00
6	\$40,280.00	\$57,400.00	\$91,800.00
7	\$45,420.00	\$61,350.00	\$98,100.00
8	\$50,560.00	\$65,300.00	\$104,450.00

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 3 - HUD FAIR MARKET RENTS

FY 2024 Metro Area Fair Market Rents						
by Bedroom Size						
0	1	2	3	4	5	6
\$1,072	\$1,257	\$1,582	\$2,229	\$2,669	\$3,069	\$3,469

FY 2024 Small Area Fair Market Rents (cont'd on next page)							
by Bedroom Size							
Zip Code	0	1	2	3	4	5	6
89402*	\$1,440	\$1,640	\$2,060	\$2,890	\$3,430	\$3,945	\$4,459
89403	\$1,000	\$1,170	\$1,470	\$2,070	\$2,480	\$2,852	\$3,224
89405	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89412	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89424	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89431	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89432	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89433	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89434*	\$1,230	\$1,440	\$1,810	\$2,550	\$3,050	\$3,508	\$3,965
89435	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89436*	\$1,190	\$1,390	\$1,750	\$2,470	\$2,950	\$3,393	\$3,835
89437	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89439	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89440*	\$1,230	\$1,430	\$1,800	\$2,540	\$3,050	\$3,508	\$3,965
89441*	\$1,610	\$1,880	\$2,370	\$3,340	\$4,000	\$4,600	\$5,200
89442	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89450*	\$1,460	\$1,710	\$2,150	\$3,030	\$3,630	\$4,175	\$4,719
89451*	\$1,460	\$1,710	\$2,150	\$3,030	\$3,630	\$4,175	\$4,719

Zip Codes in **bold*** are being used for Exception Payment Standards.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

FY 2024 Small Area Fair Market Rents (continued)							
by Bedroom Size							
Zip Code	0	1	2	3	4	5	6
89501	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89502	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89503	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89504	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89505	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89506*	\$1,150	\$1,350	\$1,700	\$2,400	\$2,870	\$3,301	\$3,731
89507	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89508*	\$1,370	\$1,610	\$2,020	\$2,850	\$3,410	\$3,922	\$4,433
89509	\$1,060	\$1,250	\$1,570	\$2,210	\$2,650	\$3,048	\$3,445
89510	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89511*	\$1,330	\$1,560	\$1,960	\$2,760	\$3,310	\$3,807	\$4,303
89512	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89513	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89515	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89519*	\$1,480	\$1,730	\$2,180	\$3,070	\$3,680	\$4,232	\$4,784
89521*	\$1,530	\$1,790	\$2,250	\$3,170	\$3,800	\$4,370	\$4,940
89523*	\$1,190	\$1,400	\$1,760	\$2,480	\$2,970	\$3,416	\$3,861
89533	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89557	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89570	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89595	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89599	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89703	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89704	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159

*Zip Codes in **bold*** are being used for Exception Payment Standards.*

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

APPENDIX 4 - VOUCHER PAYMENT STANDARDS

Basic* Payment Standard						
by Bedroom Size						
0	1	2	3	4	5	6
\$ 1,060	\$ 1,256	\$ 1,585	\$ 2,253	\$ 2,700	\$ 3,105	\$ 3,510

*Applicable throughout Washoe County if Zip Code is not listed in Exception Payment Standards table.

Effective for moves/transfers and annuals effective 1/1/24.

Exception** Payment Standards							
by Bedroom Size and Zip Code							
Zip Code	0	1	2	3	4	5	6
89402	\$ 1,400	\$ 1,630	\$ 2,040	\$ 2,900	\$ 3,460	\$ 3,979	\$ 4,498
89434	\$ 1,220	\$ 1,440	\$ 1,820	\$ 2,590	\$ 3,100	\$ 3,565	\$ 4,030
89436	\$ 1,240	\$ 1,470	\$ 1,860	\$ 2,640	\$ 3,170	\$ 3,646	\$ 4,121
89440	\$ 1,250	\$ 1,470	\$ 1,860	\$ 2,650	\$ 3,170	\$ 3,646	\$ 4,121
89441	\$ 1,590	\$ 1,890	\$ 2,380	\$ 3,380	\$ 4,050	\$ 4,658	\$ 5,265
89450	\$ 1,500	\$ 1,780	\$ 2,240	\$ 3,180	\$ 3,820	\$ 4,393	\$ 4,966
89451	\$ 1,500	\$ 1,780	\$ 2,240	\$ 3,180	\$ 3,820	\$ 4,393	\$ 4,966
89506	\$ 1,140	\$ 1,360	\$ 1,710	\$ 2,430	\$ 2,910	\$ 3,347	\$ 3,783
89508	\$ 1,370	\$ 1,620	\$ 2,050	\$ 2,910	\$ 3,490	\$ 4,014	\$ 4,537
89511	\$ 1,310	\$ 1,550	\$ 1,960	\$ 2,790	\$ 3,340	\$ 3,841	\$ 4,342
89519	\$ 1,460	\$ 1,730	\$ 2,180	\$ 3,100	\$ 3,710	\$ 4,267	\$ 4,823
89521	\$ 1,580	\$ 1,870	\$ 2,360	\$ 3,350	\$ 4,020	\$ 4,623	\$ 5,226
89523	\$ 1,220	\$ 1,440	\$ 1,820	\$ 2,590	\$ 3,100	\$ 3,565	\$ 4,030

**Only applicable in the listed Zip Codes. Other Zip Codes see Basic table.

Effective for moves/transfers and annuals effective 1/1/24.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

APPENDIX 5 - STANDARDIZED UTILITY ALLOWANCES**Owner Paid Water/Sewer/Trash**

Effective for annuals and vouchers issued on or after 10/1/23

Structure Type	0-BR	1-BR	2-BR	3-BR	4-BR+
EES*	\$67	\$77	\$99	\$121	\$143
Apartment	\$80	\$93	\$120	\$146	\$173
Townhouse/Semi-Detached/Duplex	\$97	\$112	\$147	\$179	\$215
Detached – Single Family House	\$116	\$133	\$172	\$211	\$250
Mobile	\$115	\$132	\$165	\$199	\$232

*EES – Energy Efficient Systems includes cooking, heating, and all electric.

Tenant Paid Water/Sewer/Trash – (must pay at least 2 to qualify)

Effective for annuals and vouchers issued on or after 10/1/23

Structure Type	0-BR	1-BR	2-BR	3-BR	4-BR+
EES*	\$172	\$184	\$209	\$234	\$261
Apartment	\$186	\$200	\$230	\$260	\$292
Townhouse/Semi-Detached/Duplex	\$203	\$219	\$257	\$293	\$334
Detached – Single Family House	\$213	\$231	\$273	\$316	\$360
Mobile	\$212	\$230	\$266	\$304	\$342

*EES – Energy Efficient Systems includes cooking, heating, and all electric.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

APPENDIX 6 - Life-Threatening Conditions

Life-Threatening Conditions as defined by HUD in the Housing Opportunity Through Modernization Act of 2016 Life-Threatening List ("HOTMA LT"). [24 CFR 982.404, 82 FR 5458]

The responsible party must correct life-threatening conditions within 24 hours of PHA notification.

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor. System does not function properly.
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location. Carbon monoxide alarm is obstructed. Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior. Chimney exhibits signs of structural failure.
Clothes Dryer	Electric dryer transition duct is detached or missing.
Exhaust Ventilation	Gas dryer transition duct is detached or missing. Electric dryer exhaust ventilation system has restricted airflow. Dryer transition duct is constructed of unsuitable material. Gas dryer exhaust ventilation system has restricted airflow.
Door - Entry	Entry door is missing.
Door - Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress. Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening. Fire escape is obstructed.
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged. Exposed electrical conductor. Water is currently in contact with an electrical conductor.
Electrical - Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire escape component is damaged or missing.
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged. Fire extinguisher service tag is missing, illegible, or expired. Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater. OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed. Guardrail is not functioning adequately.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

Inspectable Item	Deficiency
Heating, Ventilation, and Air Conditioning (HVAC)	<p>The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.</p> <p>Unvented space heater that burns gas, oil, or kerosene is present.</p> <p>Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.</p> <p>Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.</p>
Leak - Gas or Oil	Natural gas, propane, or oil leak.
Mold-Like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	<p>Smoke alarm is not installed where required.</p> <p>Smoke alarm is obstructed.</p> <p>Smoke alarm does not produce an audio or visual alarm when tested.</p>
Sprinkler Assembly	<p>Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.</p> <p>Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.</p> <p>Sprinkler assembly has evidence of corrosion.</p> <p>Sprinkler assembly has evidence of foreign material that is detrimental to performance.</p>
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	<p>Chimney or flue piping is blocked, misaligned, or missing.</p> <p>Gas shutoff valve is damaged, missing, or not installed.</p>

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

December 1, 2023

APPENDIX 7 - Simplified Medical Deduction Values (FY 2021 MTW Plan)

Gross Annual Income Range	Annual Medical Deduction
\$1 - \$12,729	\$0
\$12,730 - \$17,110	\$1,700
\$17,111 +	\$2,915

Effective 1/1/21 for annual recertifications

HOUSING AUTHORITY OF THE CITY OF RENO

March 1, 2024

**ADMINISTRATIVE PLAN
FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS**
Resolution 24-02-01 RH adopted February 27, 2024 to be effective March 1, 2024

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1. OVERVIEW, OBJECTIVES AND PROGRAM DESCRIPTIONS

[24 CFR Part 5]

1.1. OVERVIEW

The Section 8 Program was created by the Housing and Community Development Act of 1974. RHA administers the following Section 8 programs:

- Housing Choice Voucher
- Project Based Voucher
- Special Purpose Vouchers
 - Veterans Affairs Supportive Housing (VASH)
 - Emergency Housing Voucher (EHV)
 - Foster Youth Independence (FYI)
 - Mainstream
 - Tenant Protection Voucher (TPV)

Administration of these programs will be in compliance with the Department of Housing and Urban Development (HUD) regulations for each program, RHA policies, and the Equal Housing Opportunity Plan (EHOP). RHA will comply with all federal, state, and local housing laws and fair housing regulations.

1.2. OBJECTIVE

The objective of RHA is to provide fair, sustainable, quality housing to very-low and extremely-low income households who would otherwise be incapable of obtaining adequate housing. The number of households served is limited by the funding available through local, state and federal programs.

The voucher programs listed in Section 1.1 provide participating households with a greater choice of housing opportunities by subsidizing rent payments to private owners. Through these programs, RHA helps very-low and extremely-low income households obtain quality housing within Washoe County, the City of Reno, and the City of Sparks.

1.3. PROGRAM DESCRIPTIONS**1.3.1. Housing Choice Voucher (HCV)**

- 1.3.1.1. The unit is owned by a private owner and cannot already be federally subsidized.
- 1.3.1.2. The subsidy is provided directly to the landlord. The “Voucher” is the official documentation of eligibility to receive housing assistance.
- 1.3.1.3. Tenants locate their own housing. It can be a single family residence, apartment, condominium or mobile home. They are allowed great discretion in their selection subject to the rent reasonable test and inspections.
- 1.3.1.4. The tenant and owner/manager execute a lease agreement. The initial term of the lease is at least one year. After the first term, the owner/manager may determine the term of the lease. RHA and the owner/manager execute a Housing Assistance Payments (HAP) Contract. The HAP Contract and the Lease must contain the HUD-prescribed tenancy addendum. (These run concurrently.)
- 1.3.1.5. The tenant portion of the rent is calculated in accordance with HUD regulations and RHA adopted policy.

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- 1.3.1.6. The tenant is required to have a regular re-examination of eligibility and regular Housing Quality Standards inspections of the unit.
 - 1.3.1.7. The owner/manager receives a portion of the rent from the tenant and the remainder from RHA.
 - 1.3.1.8. The owner/manager may evict for non-payment of rent, lease violations, or "for good cause" as specified in the Lease Agreement/Tenancy Addendum.
 - 1.3.1.9. RHA cannot guarantee a HAP Contract to an owner/manager as tenants select units, but RHA does maintain current referral lists.
 - 1.3.1.10. The security deposit is set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner/manager's unassisted units.
 - 1.3.1.11. RHA receives an administrative fee from HUD based on number of units under contract/ lease on the first day of the month.
- 1.3.2. Project Based Voucher (PBV)
- 1.3.2.1. PBV's will be funded through the ACC for the voucher program and MTW funding sources.
 - 1.3.2.2. The tenant portion of the rent is calculated in accordance with HUD regulations and RHA adopted policy.
 - 1.3.2.3. The tenant is required to have a regular re-examination of eligibility and regular inspections of the unit.
 - 1.3.2.4. The owner/manager receives a portion of the rent from the tenant and the remainder from RHA.
 - 1.3.2.5. The owner/manager may evict for non-payment of rent, lease violations, or "for good cause" as specified in the Lease Agreement/Tenancy Addendum.
 - 1.3.2.6. The initial term of the lease is for one year. Thereafter, the owner/manager may specify a term of his/her choice (i.e., month-to-month, six months, etc.) and may terminate the lease at the end of the term specified without cause.
 - 1.3.2.7. The security deposit is set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner/manager's unassisted units.
 - 1.3.2.8. PBV Programs:
 - 1.3.2.8.1. Competitively Selected PBV Program - RHA will consider proposals from owners of units that were previously selected under a Federal, state, or local government housing assistance program provided that those proposals were selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date. Assistance is tied to the unit (project-based assistance) through a Housing Assistance Contract with private owners. A participant in the PBV competitive program has a right to move with continued assistance after one year of occupancy with some restrictions.
 - 1.3.2.8.2. Mobility Program - RHA purchased single family homes, apartments, condos and duplexes in low poverty areas and assigned PBV's to each unit. These units are offered to eligible Public Housing residents.

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Units are designated as non-smoking. Participants have a right to move with continued assistance after one year of occupancy with some restrictions.

- 1.3.2.8.3. Other RHA Owned Units - RHA assigned PBV's to dwelling units owned by the Authority in order to make them affordable. Units are designated as non-smoking. RHA utilized units in non-Public Housing multi-family and elderly complexes. Participants have a right to move with continued assistance after one year of occupancy with some restrictions.
- 1.3.2.8.4. Partnership program - RHA is partnering with local non-profit organizations to assist at risk individuals. Units will be designated as non-smoking. Participants will be required to meet all requirements of the referring agency and RHA eligibility requirements. Participants will have a right to move with continued assistance after one year of occupancy with some restrictions.
- 1.3.2.8.5. Privately Owned Project Based Units - Through a competitive process, RHA will award PBVs to property owners who seek award through the public Request for Proposal (RFP) process. The PBV will be designated to serve a specific population as detailed in the RFP. RHA will also partner with community agencies to provide referrals to these PBV and ongoing case management.
- 1.3.2.8.6. RAD Project Based Units – With HUD approval, RHA may convert Public Housing units through the Rental Assistance Demonstration program. Conversions of Public Housing funding to PBV assistance is allowed with special requirements set forth by HUD to be applicable only to RAD PBV units. See Section 8.

1.3.3. Veterans Affairs Supportive Housing (VASH) - RHA has partnered with the local Veteran's Administration (VA) office under the HUD-VASH program to house homeless veterans in the community. Eligible families are referred directly from the VA.

- 1.3.3.1. RHA will screen eligible families for sex offender status.
- 1.3.3.2. VASH participants must receive and comply with the case management requirements determined by the VA.
- 1.3.3.3. VASH participants will be subject to a minimum rent of \$0.

1.3.4. Emergency Housing Vouchers (EHV) – RHA has partnered with local community partners within the Continuum of Care to house homeless individuals and families in the community. Eligible families are referred directly from these community partners.

- 1.3.4.1. RHA will screen eligible families for admission.
- 1.3.4.2. EHV participants will work with community partner case managers to search for suitable housing and will receive ongoing case management determined necessary by the community partner agency.
- 1.3.4.3. Referred clients must meet one of the following eligibility criteria:
 - 1.3.4.3.1. Homeless
 - 1.3.4.3.2. At risk of homelessness.
 - 1.3.4.3.3. Fleeing, or attempting to flee, domestic violence, dating violence,

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sexual assault, stalking or human trafficking.

1.3.4.3.4. Recently homeless or having high risk of housing instability.

1.3.4.4. Referred clients will be screened for lifetime registration as a sex offender and conviction of the production of methamphetamine on the premises of federally assisted housing.

1.3.4.5. Referred clients will be allowed to self-certify date of birth and social security number but must provide verification of each within 90 days and 180 days, respectively.

1.3.5. Foster Youth Independence Vouchers (FYI) – RHA has partnered with local community partners to house foster youth aging out of the foster care system. Eligible families are referred directly from these community partners.

1.3.5.1. RHA will screen eligible families for admission.

1.3.5.2. FYI participants will work with community partner case managers to search for suitable housing and will receive ongoing case management determined necessary by the community partner agency.

1.3.5.3. FYI vouchers may be utilized by a household for 36-months, with two possible 12-month extensions.

1.3.5.3.1. In order to be eligible for the two 12-month extensions, the household must participate in, and remain in compliance with, the Workforce Development program or meet one of the following exceptions.

1.3.5.3.1.1. Being a parent or other household member responsible for the care of a dependent child under the age of six or an incapacitated person.

1.3.5.3.1.2. Regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

1.3.5.3.1.3. Being unable to participate in the Workforce Development program due to a documented medical condition.

1.3.6. Mainstream Vouchers

1.3.6.1. Assist non-elderly persons with disabilities.

1.3.6.2. Administered using the same rules as Housing Choice Vouchers.

1.3.7. Tenant Protection Vouchers (TPV) – When a Multifamily, project-based Section 8 property opts out of their contract with HUD, assisted households are issued a TPV to protect them from hardship as a result of the property’s choice to opt out of their contract. These TPVs are then administered by RHA.

1.3.7.1. As long as the household continues to reside in the original unit, the TPV is “enhanced” to cover the difference between 30 percent of the household income and the PHA’s payment standard or gross rent, whichever is lower.

1.3.7.2. Once the family moves out of the original unit, the “enhancement” is removed and the TPV is administered using the same rules as Housing Choice Vouchers.

1.4. NONDISCRIMINATION AND REASONABLE ACCOMMODATIONS

1.4.1. Federal regulations prohibit discrimination because of race, color, sex, religion, familial status, age, disability or national origin.

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- 1.4.1.1. If an applicant or participant believes that any family member has been discriminated against by RHA or an owner, the family should advise RHA. HUD requires RHA to provide the applicant or participant with information on how to file a discrimination complaint.
- 1.4.2. A person with a disability may require special accommodations in order to have equal access to the programs. If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, the family must explain what type of accommodation is needed to provide the person with the disability full access to the program. If the need for the accommodation is not readily apparent, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship between the accommodation and the disability.
- 1.4.2.1. The definition of disability for the purpose of reasonable accommodation is different than the definition used for admission. The Fair Housing definition used for this purpose is: "A person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment."
- 1.4.2.1.1. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; urinary; hemic and lymphatic skin; and endocrine.
- 1.4.2.1.2. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- 1.4.2.1.3. "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, and learning.
- 1.4.2.2. RHA will provide the applicant or participant with the necessary forms to be completed with RHA staff. RHA staff will send the Reasonable Accommodation forms directly to a professional third party, of the applicant or participants choosing, who is competent to make the assessment and provide written verification that the individual needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program. The professional third party provider must return the completed Reasonable Accommodation forms directly to RHA for final review by the Director of Rental Assistance or designated staff. In the case where the professional third party provider fails to respond, a second request for verification may be made of a different provider of the applicant or participants choosing.
- 1.4.2.3. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible. The requested accommodation will not release applicant/participant from any ongoing family obligation under the program.

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- 1.4.2.4. Upon approval of the Reasonable Accommodation, RHA may reverify the accommodation to determine if it is still essential and used as intended at future annual recertifications, i.e. medical room, live-in aide, etc.

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2. CONDITIONS GOVERNING ELIGIBILITY

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E & M]

The U.S. Department of Housing and Urban Development has established strict requirements for eligibility for assistance and the portion of tenant income to be paid toward rent. These requirements are intended to ensure that only qualified families receive assistance.

2.1. ELIGIBILITY FOR ADMISSION

To be eligible for admission to the voucher programs operated by RHA, applicants must meet the following criteria:

- 2.1.1. Qualify as a Family (see Appendix 1).
- 2.1.2. Fall within the following Income Limits (see Appendix 2):
 - 2.1.2.1. A very low-income family.
 - 2.1.2.2. A low-income family that has been “continuously assisted” under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the voucher program. [24 CFR 982.4]
 - 2.1.2.3. A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.
 - 2.1.2.4. A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.
 - 2.1.2.5. A low-income family referred to participate in the HUD-VASH program.
- 2.1.3. Conform to the subsidy standards listed in section 2.3.
- 2.1.4. Citizenship Status: At least one household member must be a U.S. citizen or national or non-citizen with an eligible immigration status as defined in 24 CFR 5.508 (see Appendix 1, "Eligible Immigration Status"). Assistance will be prorated based on the number of eligible household members.
 - 2.1.4.1. A declaration of status must be completed for each household member.
 - 2.1.4.2. RHA will not provide assistance to any household prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the household.
- 2.1.5. Student Status: To qualify as an independent student the household must meet at least one of the following criteria.
 - 2.1.5.1. Be at least 24 years old by 12/31 of the award year
 - 2.1.5.2. Be an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when they were 13 years old or older
 - 2.1.5.3. Be (or was immediately prior to turning 18) an emancipated minor or in legal guardianship as determined by a court
 - 2.1.5.4. Be a veteran or active duty military
 - 2.1.5.5. Be a graduate or professional student

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- 2.1.5.6. Be married
- 2.1.5.7. Have at least one dependent child
- 2.1.5.8. Have been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth or as unaccompanied, at risk of homelessness, and self-supporting by a local educational agency homeless liaison; the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director; or of a program funded under subtitled B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
- 2.1.5.9. Be a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances
- 2.1.6. May not be a non-immigrant student alien (see Appendix 1).
- 2.1.7. Must not currently owe money to any federally assisted housing program.
 - 2.1.7.1. At time of initial application, the applicant must pay in full any outstanding debt prior to being placed on the waiting list.
- 2.1.8. Must not have committed fraud in connection with any federally assisted housing program.
- 2.1.9. Must not have violated any program requirements pertaining to 24 CFR 982.551 obligations of participant, 24 CFR 982.552 and 24 CFR 982.553 in any federally assisted housing program for a period of three years prior to the date the background check is initiated.
- 2.1.10. Must not have been evicted from any federally assisted housing programs within three years of the date of application.
- 2.1.11. Must not be abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents or have a pattern of such abuse.
- 2.1.12. RHA will perform criminal history background checks on all adult household members, including households porting into RHA's programs, to determine whether any household member is subject to a lifetime sex offender registration requirement and to determine eligibility based on criminal background. To be eligible for assistance all adult household members:
 - 2.1.12.1. must not be subject to a lifetime registration requirement under any state or federal sex offender registration program.
 - 2.1.12.2. must not ever have been convicted of manufacturing or producing methamphetamine while residing in federally assisted housing.
 - 2.1.12.3. must not have engaged in drug related criminal activity or have a history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants within the ten years prior to initiation of a background check.
 - 2.1.12.3.1. Any household member who has been found to be ineligible for engaging in drug related criminal activity or having a history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants may request a review by the Applicant Review Board (ARB).
 - 2.1.12.3.2. Applicants requesting a review must have successfully completed any and all court ordered sentencing requirements by the date the criminal background check was initiated by RHA in order to

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be considered eligible for ARB review.

2.1.12.3.3. Final approval of the applicant will be determined by the ARB.

2.1.12.3.4. The ARB procedure is hereby incorporated by reference.

2.1.13. Must provide a Social Security number for all household members or will provide written certification that they do not have Social Security numbers.

2.1.14. Cash assets will be excluded when determining eligibility for elderly/disabled voucher households. All other applicant households must not have combined assets with a cash value of more than \$50,000.

2.1.15. All applicant households must not have ownership interest in a suitable dwelling unit which they have a legal right to reside in.

2.2. ELIGIBILITY FOR CONTINUED ASSISTANCE

To be eligible for continued assistance in the voucher programs operated by RHA, occupants must meet the following criteria:

2.2.1. Qualify as a Family, (See Appendix 1, Definition of Terms) or be the remaining member of a tenant household or, at the discretion of RHA, the member(s) of the household determined to receive continued assistance (see section 14).

2.2.2. Conform to the subsidy standards listed in section 2.3.

2.2.3. Must conform to Voucher program Family Obligations.

2.2.4. No individual is eligible to receive assistance under Section 8 of the 1937 Housing Act if they are a student that does not meet eligibility status as outlined in section 2.1.5.

2.2.5. Citizenship Status: At least one household member must be a U.S. citizen or national as defined in 24 CFR 5 Subpart E (see Appendix 1, "Eligible Immigration Status"). May not be a non-immigrant student alien (see Appendix 1).

2.2.6. If the amount payable by the household equals the gross rent for the unit occupied, the participant may remain on the program for 365 days with zero Housing Assistance Payments after which time the participant will be removed from the program and no longer be eligible for continued assistance unless, at any time during the 365 days, the household reports a change in circumstances whereby a Housing Assistance Payment would be paid prior to the expiration of the 365 day period. **Note:** No longer being eligible for Housing Assistance Payments will not affect the household's other rights under the lease nor will such termination preclude resumption of Housing Assistance Payments as a result of subsequent changes in the household income or gross rent or other relevant circumstances during the term of the contract.

2.3. SUBSIDY STANDARDS FOR VOUCHER TENANCY

Vouchers are to be issued in accordance with the subsidy standards set forth below. When it is found that the Voucher unit is no longer suitable for the household in accordance with these standards, the household may be issued a new Voucher in accordance with the following subsidy standard.

2.3.1. The subsidy standard used to determine what payment standard will be used in calculating the subsidy for a tenant household is two people per bedroom. The only exceptions to this will be the following:

- When there is medical justification verified through the Reasonable Accommodation process.
- To avoid forcing an existing tenant to move from former HUD-assisted properties.

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- To prevent an adult from having to share a bedroom with a minor (defined as under 18 years of age) regardless of gender.
- 2.3.2. In establishing the appropriate subsidy standards, RHA will include as members of the household all persons anticipated to reside in the dwelling unit. Examples include: children expected to be born to pregnant women, children who are in the process of being adopted by an adult, or children whose custody is being obtained by an adult member of the household. In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered an eligible visitor and not a household member.
- 2.3.3. For households receiving Vouchers, the foregoing subsidy standards are solely for determining the bedroom size of the Voucher issued. A household receiving a Voucher may rent a larger dwelling unit provided they assume responsibility for that portion of the rent which exceeds the Voucher Payment Standard, the rent is determined to be reasonable and the Total Tenant Payment does not exceed 40 percent of monthly adjusted income. The utility schedule used to calculate tenant rent will be in accordance with the appropriate voucher size issued to the household or the size of the unit, whichever is lower.
- 2.3.3.1. For shared housing dwelling units, in accordance with HUD regulations, the Voucher Payment Standard amount used to determine tenant rent will be the lower of the payment standard amount on the Voucher Payment Standard schedule for the family unit size or the pro-rata portion of the payment standard amount on the Voucher Payment Standard schedule for the size of the shared housing unit. Also, the utility schedule used to calculate tenant rent will be the pro-rata portion of the utility allowance for the shared housing unit.
- 2.3.4. Foster children will be included in determining subsidy size only if they will be in the unit for more than six months.
- 2.3.5. Single person households shall be allocated a one-bedroom voucher.
- 2.3.6. RHA may only issue a larger voucher due to additions of household members upon receipt and approval of all required documentation.
- 2.3.7. Live-in Attendant. Voucher-holders / applicants approved for a live-in attendant are provided a 90-day period from the date of approval of the reasonable accommodation request to obtain and secure a live-in attendant before the process must begin again. After this time period, voucher-holders / applicants may be granted a 30-day extension if they can demonstrate they have taken steps necessary to secure and obtain a live-in attendant.
- 2.3.7.1. In the event the voucher-holder / applicant has secured a live-in attendant, but the Authority is waiting for verification of documents for eligibility of the live-in attendant, a second 30-day extension may be granted to the voucher-holder / applicant.
- 2.3.7.2. The subsidy size will not be increased until a specific person is approved as the live-in attendant. If the live-in attendant vacates the unit, the subsidy size will be reduced after a 30-day notice of rent increase. Failure by the family to timely report the move-out of a live-in attendant may result in a charge or balance owed for overpaid rental assistance to the family.
- 2.3.7.3. If an applicant's Reasonable Accommodation is approved for an increased subsidy to allow for a live-in aide, the file will not be referred for a briefing with the increased subsidy until RHA Admissions Office has approved the live-in aide chosen by the applicant.
- 2.3.8. Medical Equipment. Voucher-holders / applicants approved for an increase in subsidy standard

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due to medical equipment will be subject to biennial inspection of the continued need for the increase in subsidy.

2.4. PAYMENT STANDARDS

The payment standard is used to calculate the Housing Assistance Payment for a household. In accordance with HUD regulation, and at RHA's discretion, the Voucher Payment Standard amount is set by RHA between 90 percent and 110 percent of the HUD published Fair Market Rent (FMR). This is considered the basic range. RHA reviews the appropriateness of the payment standard annually when the FMR is published. In determining whether a change is needed, RHA will ensure that the payment standard is always within the range of 90 percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD. RHA may adopt Exception Payment Standards at the zip code level based on Small Area Fair Market Rents (SAFMRs), setting the Exception Payment Standard between 90 percent and 110 percent of the HUD published SAFMR. SAFMR-based Exception Payment Standards do not require HUD approval.

- 2.4.1. RHA will establish a Basic Voucher Payment Standard for each unit size, which covers the entire jurisdiction not identified as an Exception Payment Standard. RHA may have a higher payment standard within RHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90 to 110 percent of FMR range. RHA may also approve a higher payment standard within the basic range, if required as a reasonable accommodation for a household that includes a person with disabilities.
- 2.4.2. Adjustments to Payment Standards. Payment standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep households' rents affordable. RHA will not raise payment standards solely to make "high end" units available to Voucher holders. The financial impact on the program if an increase is adopted must be determined before a recommendation is made to the Board of Commissioners for approval.
 - 2.4.2.1. Quality of Units Selected. RHA will review the quality of units selected by participant households when making the determination of the percent of income households are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.
 - 2.4.2.2. Time to Locate Housing. RHA may consider the average time period for households to lease up under the Voucher program. If more than 40 percent of Voucher holders are unable to locate suitable housing within the term of the Voucher, and RHA determines that this is due to rents in the jurisdiction being unaffordable for households even with the presence of a Voucher, the payment standard may be adjusted.
 - 2.4.2.3. Lowering of the Payment Standard. Insufficient funding or lowering of the FMR may require a lowering of the payment standard. Additionally, statistical analysis may reveal that the payment standard should be lowered. In any case, the payment standard will not be set below 90 percent of the FMR without authorization from HUD.
 - 2.4.2.4. Financial Feasibility. Before increasing the payment standard, RHA may review the budget to determine the impact projected subsidy increases would have on funding available for the program and number of households served.
- 2.4.3. Implementation of a decreased payment standard will take effect at the family's second annual reexamination.
- 2.4.4. Implementation of an increased payment standard will take effect at the family's next annual reexamination.

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- 2.4.4.1. If the family qualifies for triennial recertification (see section 13.2), the increased payment standard will take effect at the processing of an approved Contract Rent Increase.

2.5. ELIGIBLE TYPES OF VOUCHER HOUSING

RHA will approve any of the following types of housing in the voucher program:

- 2.5.1. All structure types can be utilized.
- 2.5.2. Manufactured homes where the tenant leases the mobile home and the pad.
- 2.5.3. Manufactured homes where the tenant owns the mobile home and leases the pad.
- 2.5.4. Single room occupancy: Private living and sleeping space for one occupant, with shared sanitary and food preparation facilities.
 - 2.5.4.1. Requires a separate lease and HAP Contract for each assisted person.
 - 2.5.4.2. The Payment Standard is 75% of the 0-bedroom payment standard listed on our schedule.
 - 2.5.4.3. The Utility Allowance is 75% of the 0-bedroom utility allowance.
 - 2.5.4.4. May be project-based.
- 2.5.5. Congregate housing: Housing for elderly persons or persons with disability which includes food service, a shared kitchen/dining area, and a private living area.
 - 2.5.5.1. Requires a separate lease and HAP Contract for each assisted family.
 - 2.5.5.2. The Payment Standard is the number of rooms on the voucher minus one. For example, if the family has a 1-bedroom voucher, the 0-bedroom payment standard would be used.
 - 2.5.5.3. May be project-based.
- 2.5.6. Shared housing: A single unit occupied by the assisted family and another resident or residents, including private space for each family and common spaces. The owner of the unit may occupy a shared housing unit, but no assistance can be paid on their behalf and they are still prohibited from renting to a family member.
 - 2.5.6.1. Requires a separate lease and HAP Contract for each assisted household.
 - 2.5.6.2. The rent to owner for the household may not exceed the pro-rata portion of the reasonable rent for the entire unit.
 - 2.5.6.2.1. Pro-rata portion means the ratio derived by dividing the number of bedrooms in the private space available for the family by the total number of bedrooms in the unit. For example, for a family entitled to occupy 3 bedrooms in a 5-bedroom unit, the ratio would be 3/5.
 - 2.5.6.3. The Payment Standard is the lower of:
 - 2.5.6.3.1. The Payment Standard amount on the payment standard schedule for the family unit size; or
 - 2.5.6.3.2. The pro-rata portion of the payment standard amount on the payment standard schedule for the size of the unit.
 - 2.5.6.4. The Utility Allowance is the pro-rata portion of the utility allowance for the unit.
- 2.5.7. Group Home: A state-licensed facility for elderly persons and/or persons with disabilities with a

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bedroom and communal living, dining, and bathroom spaces. Persons residing in a group home must not require continual medical or nursing care.

2.5.7.1. Requires a separate lease and HAP Contract for each assisted household.

2.5.7.2. The rent to owner for a household may not exceed the pro-rata portion of the reasonable rent for the group home.

2.5.7.2.1. Pro-rata portion means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home.

2.5.7.3. Family unit size.

2.5.7.3.1. Unless there is a live-in aide, the family unit size is 0 or 1 bedroom.

2.5.7.3.2. If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

2.5.7.4. The Payment Standard is the lower of:

2.5.7.4.1. The payment standard amount on the payment standard schedule for the family unit size; or

2.5.7.4.2. The pro-rata portion of the payment standard amount on the payment standard schedule for the group home size.

2.5.7.5. The Utility Allowance for each assisted person residing in the group home is the pro-rata portion of the utility allowance for the group home unit size.

2.5.8. Units owned (but not subsidized) by RHA (following HUD-prescribed requirements).

2.5.9. RHA may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

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3. PROGRAM WAIT LIST AND TENANT SELECTION CRITERIA

[24 CFR 982.207]

This chapter describes policies for managing waiting lists for all RHA programs and properties and the tenant selection process. Placement on a waiting list does not indicate that a family is eligible for assistance. Final determination will be made when the applicant is selected from the wait list.

3.1. OPENING AND CLOSING THE WAITING LISTS

- 3.1.1. RHA, at its discretion, may open, restrict application intake, suspend application intake, and close waiting lists in whole or part.
- 3.1.2. The decision to close the waiting list(s) will be based on achievement of a waiting list adequate to cover projected turnover and new allocations of voucher/units over an estimated 18-month period.
- 3.1.3. RHA will adhere to all HUD and fair housing guidelines and regulations when announcing the opening of waitlists.
- 3.1.4. When the waiting list is open, any household asking to be placed on the waiting list will be given the opportunity to complete an application. Eligibility for assistance will be determined when an applicant is selected from the waiting list.

3.2. SITE BASED WAITING LISTS

RHA offers site-based waiting lists for all Public Housing and other affordable housing locations. Applicants may apply, when waiting lists are open, to the site-based waiting list for the communities they wish to reside in. Some sites may have site specific preferences, as applicable and determined by RHA with HUD approval.

- 3.2.1. The Applicant's household composition and characteristics must meet subsidy/occupancy standards and any site-specific preferences to qualify for the bedroom size and site-based waiting lists they wish to apply for.
- 3.2.2. Every reasonable action will be taken to assure that applicants have access to make informed choices regarding the sites in which they wish to reside. RHA will provide information regarding location of RHA sites, occupancy standards, number of accessible units, amenities, school zoning and transportation resources.
 - 3.2.2.1. The above information will be available on RHA's website, in person at RHA's main office, or over the phone.
- 3.2.3. Applicants who applied for multiple bedroom sizes in Public Housing prior to RHA moving to a site-based wait list, will be placed on each of the site-based wait lists for the complexes offering the same bedroom sizes as their initial application. The date and time of the initial application will be honored. Applicants will be informed of their placement on the new site-based wait list via USPS mail and e-mail, if one is currently on file. Applicants will be provided with the opportunity to review and update their applications.
- 3.2.4. When applicants apply for RHA's site based Public Housing or Project Based Assistance Programs, RHA will inform applicants if the Housing Choice Voucher (HCV) wait list is open and will offer to add the applicant to RHA's HCV wait list.
- 3.2.5. When applicants apply for RHA's Housing Choice Voucher (HCV) program, RHA will inform applicants if the site based Public Housing or Project Based Assistance wait list are open and will offer to add the applicant to one or both of those wait lists as long as the household meets the income and occupancy guidelines.
- 3.2.6. RHA will maintain separate waiting lists for all other housing programs it operates. When there are insufficient applicants on a site-based waiting list, RHA must follow the criteria for re-opening

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the site-based waiting list.

3.3. MONITORING SITE BASED WAITING LISTS

3.3.1. The site-based waiting lists will be periodically monitored by RHA's Admissions Department to assure that civil rights and fair housing are affirmatively furthered.

3.3.2. RHA will, at least every three years, use independent testers or other means satisfactory to HUD to assure that the site-based waiting list is not being implemented in a discriminatory manner, and that no patterns or practices of discrimination exist. If any indications of unintended discrimination are found, the RHA will take immediate steps to remedy the situation. RHA will provide results of any such test or review to HUD. RHA will assess changes in racial, ethnic, or disability-related resident composition at each site that has occurred during the implementation of the site-based waiting lists.

3.4. INCOME TARGETING FOR VOUCHER ASSISTANCE

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families (see Appendix 1 for definition). HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

3.4.1. RHA's income targeting requirement does not apply to low-income households continuously assisted as provided for under the 1937 Housing Act.

3.4.2. RHA is also exempted from this requirement where RHA is providing assistance to low-income or moderate-income households entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

3.4.3. If the household's verified annual income, at final eligibility determination, does not fall under the Extremely Low-Income limit and the household was selected for income targeting purposes before a family with a higher preference, the household will be returned to the waiting list.

3.5. FAILURE TO RESPOND AND WAITING LIST PURGING

RHA waitlists will be reviewed periodically, as needed, to ensure a viable list of applicants exists. RHA will mail and e-mail a request for confirmation of continued interest to each household on all waitlists. Applicants desiring to remain on the waitlist on which they currently reside must respond to this request to maintain their place on RHA waitlists.

3.5.1. If an applicant fails to respond within 14 days they will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

3.5.2. If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a person with a disability requests a reasonable accommodation for being unable to reply within the proscribed period.

3.5.3. RHA allows a grace period of 14 days after completion of the purge. Applicants who respond during this grace period will be reinstated.

3.6. TENANT SELECTION

3.6.1. Tenants will be selected on the basis of preferences and targeting requirements from among eligible households of the size and composition appropriate to available vouchers or units.

3.6.2. In the event of two or more eligible applicants for the same unit with identical preference status, the date and time sequence of applications will govern selection with the applicant who files earliest being offered the first available voucher of appropriate size.

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3.6.3. Project Based Voucher waitlists may have site specific preferences.

3.6.4. In the event that an applicant is selected for interview from separate waitlists, the applicant will be required to select the waitlist they would like to be interviewed for and proceed with the interview process. The applicant will be removed from the alternate waitlist that was not chosen by the applicant.

3.7. ORDER OF PREFERENCE

Local preferences are permitted by HUD to give priority to households that meet specified criteria. Preferences are used, in conjunction with date and time of application, to determine placement on the waiting list. Preferences must apply at time of eligibility determination. Applicants selected from the waitlist based on a preference that cannot be verified at time of eligibility determination will be returned to the waitlist based on the date and time of their application without application of the preference.

- 3.7.1. Involuntary Displacement due to PHA action or program regulation including, but not limited to repositioning of Public Housing and associated relocation, PBV under and over housed households, PBV and VASH transitions to standard HCV. – 150 Points
- 3.7.2. Residency: priority will be given to applicants who: - 50 Points
 - 3.7.2.1. Currently reside in Washoe County, or
 - 3.7.2.2. Currently work or have recently been hired to work at a job located in Washoe County, or
 - 3.7.2.3. Have graduated from or are currently enrolled in an education or training program that is located in Washoe County and is designed to prepare them for the job market (within the last six months).
- 3.7.3. One-person elderly or disabled household will be given a preference over single person applicants. Households with more than one person also receive preference, including applicants with unborn children. –60 Points
- 3.7.4. Lease in Place: Applicants who currently live in Washoe County and whose landlords are willing to accept the Housing Choice Voucher and provide verification, will be given preference. – 50 Points
- 3.7.5. Homeless – 40 Points
 - 3.7.5.1. An individual or family who, at the time of selection for interview, lacks a fixed, regular, and adequate nighttime residence, meaning:
 - 3.7.5.1.1. Has a primary nighttime residence that is a public or private place not meant for human habitation; OR
 - 3.7.5.1.2. Is living in a temporary shelter (including congregate shelters, transitional housing, and hotels and motels *paid for by charitable organizations or government programs*); OR
 - 3.7.5.1.3. Is exiting an institution where they have resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
 - 3.7.5.2. Any individual or family who:
 - 3.7.5.2.1. Is experiencing a lack of housing related to: fleeing or attempting to flee domestic violence; AND
 - 3.7.5.2.2. Has no other residence; AND
 - 3.7.5.2.3. Lacks the resources or support to obtain other permanent housing.

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3.7.5.3. Verification of Homeless Preference: In order to receive the Homeless preference under 3.7.6.1., applicants must provide:

3.7.5.3.1.A written observation by an outreach worker; OR

3.7.5.3.2.A written referral by another housing or service provider; OR

3.7.5.3.3.Certification by the individual or head of household seeking assistance stating that they were living on the streets or in a shelter;

3.7.5.3.4.For individuals exiting an institution – one of the forms of evidence above AND:

3.7.5.3.4.1. Discharge paperwork or written/oral referral; OR

3.7.5.3.4.2. A written record of intake worker's due diligence to obtain above evidence and certification by the individual that they exited an institution.

3.7.5.4. Verification of Homeless Preference: In order to receive the Homeless preference under 3.7.6.2., applicants must provide:

3.7.5.4.1.An oral statement by the individual or head of household seeking assistance that they are fleeing domestic violence. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; AND

3.7.5.4.2.Certification by the individual or head of household that no subsequent residence has been identified; AND

3.7.5.4.3.Self-Certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

3.7.6.Graduate of Permanent Supportive Housing: Applicants who provide documentation showing successful completion of a Permanent Supportive Housing Program in Washoe County within the last 6 months will be given preference. – 20 Points

3.7.7. Veterans Status: Applicants who qualify for this preference must provide verification such as a DD214, VA patient card, or statement from the VA showing that their discharge was anything other than dishonorable. – 20 Points

3.7.8. Site specific preferences may apply and will be clearly defined at time of application.

3.8. VERIFICATION OF PREFERENCE QUALIFICATION

3.8.1. Preferences will be verified and applied after receipt of the application to determine to the greatest degree possible appropriate placement on the waitlist. Applicants will be asked to provide documentation to support any preferences claimed. Preferences will not be applied if supporting documentation cannot be provided. If a preference does not apply at the time of the applicant interview or cannot be verified, said applicant will be returned to their proper place on the waiting list and preference removed.

3.8.2. The qualification for preference must exist at the time the applicant is determined eligible, regardless of the length of time an applicant has been on the waiting list

3.8.3.If RHA denies a preference, RHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity to request an informal meeting. The applicant will have fourteen (14) days to request the meeting, either in writing or by phone. If the

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preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

3.8.4. Change in Circumstances. Changes in an applicant's circumstances while on the waiting list may affect the household's entitlement to a preference. Applicants are required to notify the RHA electronically or in writing when their circumstances change. When an applicant claims an additional preference, they will be placed on the waiting list in the proper order of their newly claimed preference.

3.8.5. If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the waiting list and notified.

3.9. TRANSITIONS BETWEEN SUBSIDIZED HOUSING PROGRAMS

3.9.1. At the family's first eligibility appointment, when it is determined that the applicant is participating in another subsidized housing program, staff will advise the family the PHA will terminate the application process if the applicant is not in good standing.

3.9.2. Staff will continue to communicate with subsidized housing staff as the family proceeds through the eligibility process so that only families in good standing are allowed admission to the HCV program. The move will be coordinated between the staff of both programs so that the family is not a participant of both programs at the same time.

3.9.3. The HCV contract will not begin until the conventional housing lease has been terminated and its termination confirmed.

3.9.4. RHA will ask the family to sign an affidavit stating that the family understands that they cannot be a party to two different subsidized units at the same time and that they must relinquish their current unit and leave in good standing in order to participate in the new program. Failure of the family to sign the affidavit will result in the family being ineligible for the HCV program.

3.10. NO DISCRIMINATION BECAUSE OF RACE, CREED, COLOR, RELIGION, SEX, AGE, HANDICAP, NATIONAL ORIGIN OR FAMILIAL STATUS

3.10.1. The foregoing preferences and targeting requirements will be followed without regard to race, creed, color, religion, sex, age, handicap, national origin or familial status.

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4. RECEIPT OF APPLICATIONS AND DETERMINATION OF ELIGIBILITY

[24 CFR Part 5, Subparts B, D, E & F; 982.204; 982.158]

This section sets forth the basic steps which are to be taken in obtaining and verifying information from applicant households for the purpose of (1) determining whether they meet the conditions of eligibility for admission set forth in Section 2; (2) applying the tenant selection criteria contained in Section 3; (3) determining the rent to be charged in accordance with federal regulations; and (4) determining the size of dwelling required in accordance with paragraph 2.3.

4.1. ESTABLISHING AN APPLICANT POOL

- 4.1.1. All applications for housing assistance must be submitted through RHA's online applicant portal. Applicants needing assistance in completing an application are encouraged to contact RHA's Admissions Office.
- 4.1.2. Initial applications are to be accepted from all households who are seeking admission to voucher and public housing programs during open waitlist period. Open waitlist period(s) will be determined by the Executive Director or their designee in compliance with HUD guidelines. Prior to resumption and/or cessation of an open waitlist period(s), public notification will appear in a newspaper of general circulation indicating the date(s), location, and/or number and/or type of applications being accepted.
- 4.1.3. After receipt of the initial application, Admissions staff will review the household composition and characteristics of applicant households, as defined in Section 2 of this plan. Applicants will be placed on the waitlist that best matches the bedroom size for the number of members listed on the application. The qualifying bedroom size must be open at time of application to be placed on the list.
- 4.1.4. Upon completion of the verification process, a verified application pool will be maintained indicating name, date, time and preferences.

4.2. PROCEDURE GOVERNING RECEIPT OF APPLICATIONS

- 4.2.1. The application constitutes the basic record of each household applying for admission. Each applicant, therefore, will be required to supply information as called for on the Application and in this plan. Electronic submission of an application and/or signature on a paper application for Admission constitutes certification of the accuracy of the information provided. Each application will reflect the date and time received. The application and all other materials relating to the household's eligibility are to be maintained in a file for each active applicant
- 4.2.2. A written request to complete an intake certification will be e-mailed and mailed via USPS to applicants who have come to the top of the wait list.. Applicants must complete the intake certification by the due date to be considered for interview. Admissions staff will review the certification intake to determine eligibility for interview.
 - 4.2.2.1. If the household is determined eligible for interview based on household size and bedroom size of the waitlist they have been selected from, a written notification stating their interview date and time along with the required documentation to be submitted at the time of the interview will be mailed and e-mailed.
 - 4.2.2.2. Applicants who do not respond to the intake certification request will be withdrawn from all waitlists.
 - 4.2.2.3. If the household is determined ineligible for interview based on household size and bedroom size of the waitlist they have been elected from, the applicant will be placed on the appropriate bedroom size waitlist provided the waitlist was open at time of original application. If the appropriate bedroom size waitlist was not open at

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time of original application, the application will be withdrawn.

4.2.3. Interviews may be conducted over the phone or in person. The required documentation includes:

4.2.3.1. Proof of Identity. In order to prevent program abuse, RHA will require applicants to furnish verification of legal identity for all household members. There are two separate proofs of identity required for each member of the household, each of which is detailed below:

- Applicants must provide picture identification. A current Department of Motor Vehicle-issued driver's license or identification card, or other state or federally issued picture identification card for all adult members of the household.
- Applicant must also provide the original Social Security card, an original document issued by a federal or state government agency which contains the name of the individual and the social security number of the individual along with other identifying information of the individual, or other documentation as specified in HUD guidance for every member of the household including live-in aides and foster children. No copies of the card or other forms listing the Social Security number are acceptable. If a household member has never been issued a social security number, an original birth certificate or other qualifying document to prove identity will be required. Qualifying documents must contain identifying information including name, date of birth, and country of birth. If a required document cannot be submitted because it has been ordered but not yet received, the receipt verifying that the document has been ordered must be submitted or the interview may be cancelled. Names on all forms of documentation must match each other to an extent that proves the individual is who they claim to be.
- For all minors on the application, ONE of the following must be provided:
 - An *original* government-issued birth certificate or CERTIFIED copy
 - OR an *original* confirmation of birth
 - OR an *original* Social Security birth information printout
 - OR a current or recently expired passport (within the last six months from interview date) OR a valid Certificate of Naturalization
 - OR a valid Permanent Resident Alien Card

4.2.3.2. Applicants will also be required to provide the following documents prior to the application being processed for verification.

4.2.3.2.1 *Income*. Proof of applicant income is needed. Examples include, but are not limited to:

- Current paycheck stubs
- Current award letter(s) from Social Security Administration
- Current award letter(s) showing pension or retirement amount
- Current award letter(s) showing unemployment benefits
- Current award letter(s) showing welfare cash assistance

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- Current verification of child support
- 4.2.3.2.2. *Assets*. Families will be allowed to self-declare assets with a combined value less than \$10,000, including the amount of income expected to be received from those assets. If assets exceed \$10,000, the applicant must bring the following verification:
- Three consecutive months of bank statements for all checking accounts including current statement
 - Three consecutive months of bank statements for all savings accounts including current statement
 - Certificates of deposit documentation
 - Stock or bonds documentation
 - Real estate or property documentation
- 4.2.3.2.3. *Child Care Expenses*. If applicant is employed, seeking employment or attending school, they may declare their childcare expenses for children 12 and under. Applicants may not declare expenses paid on their behalf or expenses that they receive reimbursement for. To claim childcare expenses, the applicant must provide documentation showing the name and address of the person/company caring for the child. Childcare expenses cannot exceed the value of earned income.
- 4.2.3.2.4. *Medical Expenses*. All elderly/disabled households that self-certify they incur out of pocket medical expenses will receive a simplified medical deduction (Appendix 8) based on the household's total gross annual income. In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship. RHA will establish a three-person committee to review all requests for hardship. The committee will follow the agency's Medical Hardship Procedure when determining eligibility for exemption from the simplified medical deduction.
- 4.2.3.2.5. *Proof of Pregnancy*. A letter from a doctor or the health department verifying an applicant's pregnancy.
- 4.2.3.2.6. Applicant must also provide verification of student status for any member of the household who is enrolled in an institution of higher education i.e. university, community college, trade school, etc.
- 4.2.4. Applicant Interview. Applicants must participate in a full application interview with an RHA representative. The applicant will be required to furnish complete and accurate information to the interviewer. RHA's interviewer will review the application with answers supplied by the applicant. All adult members listed on the application must sign the RHA General Release of Information Form, the declarations and consents related to citizenship/immigration status, and any other documents required by RHA during the eligibility determination process. Failure to do so may be cause for denial of the application for failure to provide necessary certifications and release as required by RHA. All adults listed on the application must also sign a consent form to authorize a criminal background check. RHA will review the results in accordance with HUD regulations and RHA policies
- 4.2.5. If RHA determines at or after the interview that additional information or document(s) are needed,

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RHA will request the document(s) or information in writing. The household will be given 14 days to supply the information. If the information is not supplied in this time period, RHA will provide the household a notification of denial for assistance.

- 4.2.6. All adult household members must make themselves available for the interview. Exceptions may be made for adult students attending school out of state or for members for whom attendance would be a hardship.
- 4.2.7. If an applicant fails to make themselves available for the scheduled interview and does not request a second interview, RHA will deny the application. If, however, the applicant responds to the denial letter within 14 days, RHA will automatically schedule a second interview for the applicant. If the applicant fails to attend the second interview, the application will be denied, and the applicant will be denied the right to any further scheduled interviews and must reapply when the wait list is open.
- 4.2.8. Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.
- 4.2.9. RHA will check criminal history for all adults listed on the application to determine whether any member of the household has violated any of the prohibited actions covered by this Administrative plan.
- 4.2.10. If, during the application interview, it appears that the applicant is definitely not eligible, the applicant is to be informed in writing as to the reasons for ineligibility and the right to an informal hearing. The application will then be classified as ineligible. A copy of the withdrawal letter will be attached to the application.
- 4.2.11. After receipt of initial application, changes affecting applicant information will be recorded and appropriate recalculations completed. Such changes are to be dated and the reason and authority for such changes noted in the record.

4.3. VERIFICATION AND DOCUMENTATION OF APPLICANT/PARTICIPANT DATA

To ensure that the data upon which determinations of eligibility, priority status, rent to be paid and size of dwelling required are to be based is full, true and complete, the information submitted by each applicant/participant is to be verified.

- 4.3.1. Methods of Verification. RHA will verify information through the methods of verification acceptable to HUD in the following order of preference, allowing 14 days for return of verifications before going to the next method.
 - 4.3.1.1. *Upfront Income Verification* using HUD's Enterprise Income Verification system.
 - 4.3.1.2. *Upfront Income Verification using non-HUD system* - This includes information obtained through computer matching such as from the Work Number.
 - 4.3.1.3. *Written Third Party Verification* –An original or authentic document generated by a third party source dated within the -120 days period preceding the reexamination or RHA request date. All documents, excluding government checks, will be photocopied and retained in the applicant/participant file. In cases where documents are viewed which cannot be photocopied, staff viewing the documents will complete a certification statement for the file. RHA will accept faxed documents. RHA will accept verifications in the form of computerized printouts delivered by the household from the following agencies: Social Security Administration, Veterans Administration, Welfare Assistance, Unemployment Compensation Agency, city or county courts, pharmacies, hospitals and banks.

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4.3.1.3.1.RHA will reject a document for the following reasons:

- The original document has been altered, mutilated, or is not legible
- The document does not appear to be authentic

4.3.1.3.2.If a document is rejected, staff will get concurrence from the Director of Rental Assistance, Deputy Executive Director, Executive Director, or designated staff. The document will be notated with the reason why it was rejected and it will be placed in the applicant/participant's file.

4.3.1.4. *Written Third-Party Verification Form*– Written Third-party verification form is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail, fax, online, telephone, or a combination of methods. Verifications received electronically directly from the source are considered third-party written verifications.

4.3.1.5. *Third-Party Oral* – Oral third-party verifications may be used when written third-party is not possible. When third-party oral verification is used, staff will be required to originate the call, complete a form, noting with whom they spoke, the date of the conversation, and the facts provided. Third-party oral may be used to clarify information provided on the third-party written.

4.3.1.6. *Certification/Self-Declaration* – When verification cannot be made by the above verification methods, households will be required to submit a self-certification.

4.3.1.6.1.For cases involving self-employment, clients will be required to provide sales and expense receipts for their business. All information must be completed on a Self-Employment Worksheet and all documentation showing gross income and any deductions claimed must be attached to the Self-Employment Worksheet.

4.3.2.Documentation Required. Complete and accurate verification records consisting of, but not limited to the following are to be received at the applicant/participant interview and maintained thereafter:

- 4.3.2.1. All income not specifically excluded by the regulations, including but not limited to:
- Employment Income
 - Social Security, Pensions, Supplementary Security Income (SSI), Disability Income
 - Unemployment Compensation
 - Welfare Payments
 - Alimony or Child Support Payments
 - Net Income from a Business
 - Self-employed clients must submit their Self-Employment Worksheets and all required receipts no later than the 10th day of the following month. Staff will review the receipts and check the calculations on the worksheets.
 - Income from Assets
 - Savings Account Interest Income and Dividends
 - Interest Income from Mortgages or Similar Arrangements

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- o Net Rental Income from Property Owned by household
- 4.3.2.2. Student Status
- 4.3.2.2.1. All individuals enrolled at an institution of higher learning.
 - 4.3.2.2.2. Full-time student status for all High School students who are 18 or over.
 - 4.3.2.2.3. Verification of student status includes written verification from the registrar's office or other school official.
- 4.3.2.3. Current assets (Asset Certification for assets less than \$10,000) including assets disposed of for less than Fair Market Value in preceding two years.
- 4.3.2.3.1. If the household certifies that they have disposed of assets for less than Fair Market Value (FMV), certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the household received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.
- 4.3.2.4. Childcare expense: Verifications must specify the childcare provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
- 4.3.2.5. Allowable medical expenses: All elderly/disabled households will receive a simplified medical deduction based on the household's total gross annual income. In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship exemption in writing, after being determined eligible for housing assistance and attending a briefing session.
- 4.3.2.5.1. If a Medical Hardship Exemption is granted, all expense claims will be verified by one or more of the methods listed below:
 - Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the household and regular payments due on the medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
 - Written confirmation by the insurance company or employer of health insurance premiums to be paid by the household.
 - Written confirmation from the Social Security Administration of Medicare premiums to be paid by the household over the next twelve months. A computer printout or information obtained through government databases such as EIV will be accepted.
 - Prescription expenses as verified on pharmacy printouts from the last 12 months provided by the client.
- 4.3.2.6. Proof of disability for determination of preferences, allowances or deductions.
- 4.3.2.6.1. Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42

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U.S.C. 6001(7)) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist or licensed social worker, using the HUD language as the verification format.

4.3.2.7. Legal Identity

4.3.2.8. Permanent Absence of Household Member

4.3.2.9. Change in Household Composition

4.3.2.9.1 RHA may verify changes in household composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, school or DMV records and other sources.

4.3.2.10. "Preference" status: Any preferences being claimed must be verified/documented. If a claimed preference cannot be documented/verified, the preference will be removed from the application and RHA will redetermine the applicant's waitlist position.

4.3.2.11. Familial/marital status when needed for head or spouse definition.

4.3.2.12. Verification of Reduction of Benefits for Noncompliance. RHA will obtain written verification from the welfare agency stating that the household's benefits have been reduced for fraud or noncompliance *before* denying the household's request for rent reduction.

4.4. SUMMARY OF VERIFICATION DATA

4.4.1. Verification data is to be reviewed and evaluated as received for completeness, accuracy and conclusiveness. Where the information received is not complete in all respects, follow-ups or new efforts to obtain such information are to be made and carried through to conclusion. If, during the verification process, it becomes evident that for one or more reasons an applicant is ineligible, the investigation is to be discontinued and the applicant notified in writing of his/her ineligibility, the reasons therefore and the right to an informal hearing.

4.4.2. As verification of all necessary items for each application is completed, a summary of the verified information is to be prepared on a Certification Form attached to the application. The summary is to cover the following determinations and the basis for such:

4.4.2.1. Eligibility of the applicant as a family

4.4.2.2. Eligibility of the family with respect to income limits for admission

4.4.2.3. Eligibility as a U.S. citizen or national or eligible immigration status

4.4.2.4. Size of unit to which the family should be assigned

4.4.2.5. Preference and priority status, if any, of the family

4.4.2.6. Violations of any other eligibility criteria.

4.5. NOTIFICATION TO APPLICANTS

4.5.1. If determined to be ineligible for admission, the applicant is to be informed in writing of the determination and of their right, upon their request within five working days after the determination is made, to an informal hearing in order to make such a reply or explanation as they may wish. The reasons for the determination will be included in the written notification.

4.5.2. Applicants are required to inform RHA of changes in address. Applicants are also required to respond to requests from RHA to update information on their application and to determine their

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continued interest in assistance.

4.5.3. In the event it becomes necessary to defer eligibility determinations, the applicant will be informed of this fact and the reason therefore. Until a final determination is made, an applicant will be notified of the status of their application upon their request.

4.6. RECHECKING AND VERIFYING FINDINGS PRIOR TO ISSUANCE OF VOUCHER

If there is a delay after the file has been referred to the Rental Assistance Office that would cause the applicant to not be issued a voucher within 120 days of the oldest verification, the file will be sent back to Admissions while staff re-verifies the information. If changes are reported late, the file will be referred to the Admissions Office to obtain written verification and to determine their effect on eligibility, rent, and unit size. Late is defined as more than ten days after the change.

4.7. CERTIFICATION

As a part of the application record of each household determined to be eligible for admission, a designated staff member is to complete and sign the eligibility certification.

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5. FACTORS RELATED TO TOTAL TENANT PAYMENT (TTP) DETERMINATION

[24 CFR Part 5, Subparts E and F; 982.153, 982.551]

The accurate calculation of annual income and adjusted income will ensure that households are not paying more or less money for rent than their obligation under the regulations. This section defines annual income and the allowable deductions from annual income.

5.1. FORMULAS FOR CALCULATIONS OF TTP

Income and TTP are calculated in accordance with 24 CFR Part 5, subparts E and F, and further instructions set forth in HUD Notices, Memoranda, and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation.

In the HCV program the "minimum household contribution" must be the greater of:

- 30 percent of the adjusted monthly income,
- 10 percent of the monthly income, or
- the minimum rent of \$100 as set by RHA.

5.2. ANNUAL INCOME

Annual Income includes income from all sources received by the head of the household, co-head and spouse (even if temporarily absent) and by each additional member of the household, including all net income derived from assets for the 12-month period following the effective date of certification of income and exclusive of certain types of income noted in this section under "Annual Income Exclusions." RHA will use future anticipated income based on tenant supplied documentation or third-party verification, unless income is determined to be seasonal or irregular (see section 5.5). RHA must calculate all applicable income of every household member who is on the application/lease, including those who are temporarily absent.

Annual income includes, but is not limited to:

- 5.2.1. The full amount, before any payroll deduction, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
 - 5.2.1.1. For commissions or bonuses if the employer does not disclose the anticipated amount, the previous year's amount will be used.
- 5.2.2. \$480 of earnings of full-time students over 18 years of age, other than head of household, co-head, or spouse.
- 5.2.3. The portion of money from Federal work-study programs paid by the employer.
- 5.2.4. The net income from operation of a business or profession (including self-employment)
 - 5.2.4.1. Net income equals gross income less expenses.
 - 5.2.4.1.1. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations.
 - 5.2.4.1.2. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.

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5.2.4.1.3.RHA requires business gross sales and expense receipts in order to determine the net income of the operation. For gas expenses related to the operation of a vehicle, RHA will use the odometer readings provided by the household and apply the most current IRS Mileage Rate. This rate takes into consideration routine maintenance/expenses (such as tires and oil) so these expenses will not be considered separately.

5.2.4.1.4.The owner must be able to prove that expenses are related to the business and are reasonable per Internal Revenue Service regulations.

5.2.4.2. Self-employed clients must submit their Self-Employment Worksheets and all required receipts no later than the 10th day of the following month. Staff will review the receipts and check the calculations on the worksheets.

5.2.4.3. Staff will use a three-month average of Self-Employment income when determining updates to the calculation of TTP.

5.2.5.Amounts derived from assets to which the family members have access.

5.2.5.1. Assets Include:

- Amounts in savings and checking accounts.
- The cash value of trusts that are available to a family.
- Stocks, bonds, savings certificates, money market funds, cryptocurrency, and other investment accounts.
- Equity in real property (land owned or bequeathed) or other capital investments.
- IRA, Keogh and similar retirement savings accounts even though withdrawal would result in a penalty.
- Contributions to company retirement/pension funds if any member of the family has access to the asset.
- Assets that, although owned by more than one person, allow unrestricted access by the applicant.
- One-time lump sum payments such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlements for personal or property losses when retained and verified.
- Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc.
- Cash value of whole life insurance policies.

5.2.5.2. Where the household has net household assets in excess of \$10,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (see Appendix 1). Households with assets less than \$10,000 will submit a self-certification as to the value of the asset and the amount of expected income.

5.2.5.3. In determining the value of a checking account, the current balance will be used.

5.2.5.4. In determining the value of a savings account, the current balance will be used.

5.2.5.5. In determining the value of an investment account, the value of the account on the most recent investment report will be used.

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- 5.2.5.6. Interest, dividends and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household
- 5.2.5.7. If an asset is owned by more than one person and any family member has unrestricted access to the asset, the full value of the asset will be used.
- 5.2.5.8. If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, RHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, RHA will prorate the asset evenly among all owners.
- 5.2.5.9. Expenses to convert to cash may include such costs as broker fees, sales commissions, settlement costs and transfer taxes.
 - 5.2.5.9.1. The RHA will use a 5% broker fee if no actual cost documentation is provided.
- 5.2.5.10. Balances of assets over \$10,000 shall be determined by client-supplied documentation dated within 60 days of the certification or interview for annual recertification.
- 5.2.5.11. Assets disposed of for less than Fair Market Value in the preceding two years. For all Certifications and Recertifications, RHA will obtain the household's certification as to whether any member has disposed of assets for less than Fair Market Value during the two years preceding the effective date of the Certification or Recertification.
 - 5.2.5.11.1. When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual certifications, the family may request an interim recertification to eliminate consideration of the asset(s).
- 5.2.5.12. Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value.
- 5.2.6. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts. Lump-sum payments caused by delays in processing periodic payments for Social Security, SSI or VA Pensions are not counted as income. CFR 5.609(c)(14)
- 5.2.7. Payments in lieu of earnings, such as unemployment and disability compensation, compensation and severance pay. Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance benefits) are counted as income. CFR 5.609(b)(4)
 - 5.2.7.1. If the lump-sum income covers a period prior to the Household's admission into the program, the portion covered in this prior period should not be treated as income.
- 5.2.8. Some public assistance payments.
- 5.2.9. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from any persons not residing in the dwelling. Lump sums for these sources shall also be included as income unless the payment covers a period prior to the Household's admission into the program.

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- 5.2.9.1. RHA will use the amount of child support or alimony awarded by the court unless the Household can verify that they are not receiving the full amount and verification of item(s) below are provided.
- 5.2.9.2. RHA will accept verification that the Household is receiving an amount less than the award if:
- RHA receives verification from the agency responsible for enforcement or collection.
 - The Household furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency or has filed an enforcement or collection action through an attorney.
 - It is the Household's responsibility to supply a certified copy of the divorce decree/court order.
- 5.2.9.3. If the verified amount received last year is less than the court-order or there is no court order, then the amount received in the last 12 months shall be used to project the next 12 months unless the household can document that a change has occurred that will result in a permanent change in child support.
- 5.2.9.4. If the verified amount received by the household is more than the court ordered amount, RHA will use the amount of child support or alimony awarded by the court.
- 5.2.9.5. If the Household reports a loss of child support, RHA will process the decrease as outlined in Chapter 14 of this Plan. Household failure to report subsequent increases or resumption of child support payments may result in a debt owed to RHA for overpaid assistance.
- 5.2.10. Regular contributions and gifts received from persons outside the household are counted as income for calculation of TTP. Any contribution or gift received every three months or more frequently will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the household and other cash or non-cash contributions provided on a regular basis, including those paid out of a Special Needs Trust. It does not include casual contributions or sporadic gifts. If the household's expenses exceed its known income, RHA will question the household about contributions and gifts.
- 5.2.11. All regular pay, special pay and allowances (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.), received by a member of the Armed Forces, whether or not living in the dwelling unit, who is the head of household or spouse or other person whose dependents are residing in the unit. The exceptions to this rule are hazardous duty pay when exposed to hostile fire, and any other exceptions to military pay HUD may define.
- 5.2.12. Payments to the head of the household for support of a minor, or payments nominally to a minor for their support but controlled for their benefit by the head of the household or a resident household member other than the head, who is responsible for their support.
- 5.2.13. Wages from employment with RHA or resident organization. Upon employment with RHA or officially recognized Resident Organization, the full amount of employment income received by the person is counted. There is no exclusion of income for wages funded under the 1937 Housing Act Programs, which includes Public Housing and Section 8 voucher programs.
- 5.2.14. Contributions to Retirement Funds. Contributions to company retirement/pension funds are handled as follows. While an individual is employed, RHA will count as assets only amounts the household can withdraw without retiring or terminating employment. After retirement or termination of employment, RHA will count any amounts the employee elects to receive as a lump

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sum. Regular payments are covered in 5.2.8.

5.2.15. Income of Person Permanently Confined to a Nursing Home. If a household member is permanently confined to a hospital or nursing home and there is a household member left in the household, RHA will calculate the income by using the following methodology:

5.2.15.1. Exclude the income and deductions of the member if their income goes directly to the facility.

5.2.15.2. Include the income and deductions of the member if their income goes to a household member.

5.2.16. Proration of Assistance for “Mixed” Households [24 CFR 5.520]. Proration of assistance must be offered to any “mixed” applicant or participant household. A “mixed” household is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

5.2.16.1. The household’s TTP will be calculated by multiplying the Member Maximum Subsidy by the percentage of eligible household members to determine Eligible Subsidy.

5.2.17. Income Changes Resulting from Welfare Program Requirements. RHA will not reduce the rental contribution for households whose welfare assistance is reduced specifically because of:

- Fraud by a household member in connection with the welfare program.
- Failure to participate in an economic self-sufficiency program.
- Noncompliance with a work activities requirement.

However, RHA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits.
- A situation where a household member has not complied with other welfare agency requirements.
- A situation where a household member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the household member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a household can receive benefits, causes the household to lose their welfare benefits.

5.2.17.1. Imputed Welfare Income is the amount of annual income not actually received by a household as a result of a specified welfare benefit reduction, outlined above, that is included in the household’s income for rental contribution.

5.2.17.1.1. Imputed welfare income is not included in annual income if the household was not an assisted resident at the time of sanction.

5.2.17.1.2. The amount of imputed welfare income is offset by the amount of additional income a household receives that begins after the sanction was imposed.

5.2.17.1.3. When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

5.2.17.2. Cooperation Agreements. RHA has a written cooperation agreement in place with the local welfare agency which assists RHA in obtaining the necessary information regarding welfare sanctions.

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5.3. ANNUAL INCOME EXCLUSIONS

Annual income does not include the following:

- 5.3.1. Income from employment of children (including foster children) under the age of 18 years;
- 5.3.2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant household, who are unable to live alone) and kinship care payments;
- 5.3.3. Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- 5.3.4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member;
- 5.3.5. Income of a live-in aide;
- 5.3.6. The full amount of student financial assistance paid directly to the student or to the educational institution;
- 5.3.7. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire;
- 5.3.8. Amounts received under training programs funded by HUD;
- 5.3.9. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- 5.3.10. Amounts received by a participant in other publicly assisted programs which are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program;
- 5.3.11. A resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;
- 5.3.12. Compensation from state or local employment training programs and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance;
- 5.3.13. Temporary, nonrecurring or sporadic income (including gifts);
- 5.3.14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- 5.3.15. After the first \$480 of the earned income of full-time students, other than head, co-head, or spouse, full-time student income will not be counted toward household income;
- 5.3.16. Adoption assistance payments in excess of \$480 per adopted child;
- 5.3.17. Deferred periodic payments of supplemental security income, social security benefits and VA pensions that are received in a lump sum payment;
- 5.3.18. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

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- 5.3.19. Amounts paid by a state agency to a household with a developmentally disabled household member living at home to offset the cost of services and equipment needed to keep the developmentally disabled household member at home;
- 5.3.20. Amounts earned by temporary U.S. Census Bureau employees as part of taking the census; employment may not exceed 180 calendar days without losing this entitlement;
- 5.3.21. Amounts earned by veterans participating in Compensated Work Therapy (CWT) programs, including Incentive Therapy (IT);
- 5.3.22. Income of persons permanently absent;
- 5.3.23. Training Programs Funded by HUD. All training income from a HUD sponsored or funded training program, whether incremental or not, is excluded from the resident's annual income while the resident is in training. Income from a Resident Services training program, which is funded by HUD, is excluded;
- 5.3.24. As of August 25, 2015, RHA will not accept any new enrollments in the Earned Income Disallowance program.
- 5.3.25. Amounts received through General Assistance or SLA as both these programs provide loans that are expected to be repaid.
- 5.3.26. Amounts received as compensation under the Victims of Crime Act.
- 5.3.27. Payments received from programs funded under title V of the Older Americans Act of 1965.
- 5.3.28. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- 5.3.29. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- 5.3.30. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
- 5.3.31. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- 5.3.32. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937 (as amended). A notice is published in the Federal Register and distributed when necessary identifying the benefits that qualify for this exclusion.
 - 5.3.32.1. RHA will not require tenant supplied documentation or request third party verification for annual income that is fully excluded.
 - 5.3.32.2. RHA will continue to require households to provide supporting documentation and/or RHA will request third party verification for partially excluded annual income.

5.4. ADJUSTED INCOME

Adjusted income is the annual income minus any HUD-allowable expenses and deductions specified below which are anticipated during the period for which annual income is estimated. The five HUD-allowable deductions from annual income are:

- 5.4.1. Dependent allowance: \$480 each for household members (other than the head or spouse) who are minors, and for household members who are 18 and older who are full-time students or who are disabled.

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- 5.4.2. Elderly/disabled allowance: \$400 per household for households whose head or spouse is 62 or over or disabled.
- 5.4.3. Allowable medical expenses: All elderly/disabled households who self-certify they pay out of pocket medical expenses, will receive a simplified medical deduction based on the household's total gross annual income (see Appendix 7). In the event a participant wishes to have their portion of rent calculated based on actual unreimbursed medical expenses contrary to this policy, they must request a hardship exemption in writing. RHA will establish a three person committee to review all requests for hardship; however, in order to be considered for a hardship and referred to the committee, participants must meet the following criteria: 1) household's monthly rent is no less than RHA's established minimum rent; 2) third party documentation must be provided detailing all anticipated medical expenses including monetary amounts and frequency. Once submitted, the three-person committee will review all of the documentation provided and determine whether a hardship is warranted. If any part of the established criteria is not met, a hardship will not be granted. If a Hardship is granted, the household will receive a deduction for out of pocket medical expenses in excess of three percent of their gross annual income not compensated for or covered by insurance, through their next recertification. Households wishing to receive the hardship exemption prior to or at their next recertification will need to re-request it and be approved by the committee. The determination of allowable medical expenses under an approved Hardship are as follows:
- 5.4.3.1. A deduction of medical expenses in excess of three percent of annual income not compensated for or covered by insurance (including anticipated expenses for the next 12 months, payments on accumulated major medical bills, dental expenses, prescription medicines, transportation expenses directly related to medical treatment, eyeglasses and contacts, medical insurance premiums, hearing aids and batteries, cost of live-in assistance).
 - 5.4.3.2. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be prescribed by a doctor or licensed health professional in order to be considered a medical expense.
 - 5.4.3.3. Chiropractic, Christian Science Practitioner expenses, assisted living expenses, acupressure, acupuncture and related herbal medicines will not be considered allowable medical expenses.
 - 5.4.3.4. Unreimbursed medical expenses of all household members in households whose head or spouse is elderly or disabled;
 - 5.4.3.5. Only third-party verified medical expenses will be used with the following exceptions:
 - 5.4.3.5.1. Prescriptions - The total participant paid amount on a print-out from a pharmacy for the most recent 12-month period may be submitted.
 - 5.4.3.5.2. Over-the-counter medicines with prescription by a doctor or licensed health care provider will be given in accordance with the store printout of the last 12 months or the total on receipts dated within the last 12 months. The total of the receipts will be used and not multiplied by any number in an attempt to forecast prescription usage.
 - 5.4.3.5.3. Eyeglasses and/or contacts - Deduction is based on receipts.
 - 5.4.3.5.4. Credit Card payments will be allowed only if: Original charge can be traced back to medical expense; only original charge will be given. No interest will be allowed as a deduction; client can provide

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documentation that regular monthly payments are being made. All payments will be assumed towards medical expense first, so medical expense is capped by original charge minus all payments made to date.

- 5.4.4. Childcare expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment.
- 5.4.4.1. Childcare must be reasonable. Reasonable is determined by what the average child care rates are in RHA's jurisdiction.
 - 5.4.4.2. RHA will survey the local providers in the community to determine what is reasonable. RHA will use the collected data as a guideline. If the hourly rate materially exceeds the guideline, RHA may calculate the allowance using the guideline.
 - 5.4.4.3. The maximum child care expense allowed cannot exceed the amount earned by the person enabled to work which is included in the household's annual income. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
 - 5.4.4.4. In the case of childcare for school, the number of hours claimed for childcare may not exceed the number of hours the household member is attending school, including reasonable travel time to and from school.
 - 5.4.4.5. In the case of a child attending private school, only after-hours care can be counted as child care expenses.
 - 5.4.4.6. If the childcare expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the childcare expense being allowed.
- 5.4.5. Allowable disability assistance expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult household member to work, and if the expenses exceed three percent of the household's annual income. Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for visually impaired persons, and equipment added to vehicles to permit use by the disabled household member.
- 5.4.5.1. For non-elderly households and elderly households without medical expenses: the amount of the deduction equals the cost of all un-reimbursed expenses for attendant care or auxiliary apparatus less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.
 - 5.4.5.2. For elderly households with medical expenses: the amount of the deduction equals the cost of all un-reimbursed expenses for attendant care or auxiliary apparatus less three percent of Annual Income, provided the amount does not exceed earnings plus medical expenses as defined in this section.

5.5. AVERAGING INCOME

- 5.5.1. When annual income is derived from known seasonal or irregular employment and income cannot be anticipated for a full 12 months, RHA may use Method 1 or Method 2 for income calculation. The method used depends on the regularity, source and type of income.

Method 1: Annualize current income and conduct an interim reexamination if income changes, or

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Method 2: Average known sources of income that vary to compute an annual income and no interim reexaminations will be conducted.

If Method 2 is selected, a 12-month history of the household's income from past years is needed. RHA will notify the household of the method used to calculate income and that no interim reexaminations will be conducted.

5.6. MINIMUM INCOME

There is no minimum income requirement. Households who report zero income are required to complete a written certification at least once every 90 days.

5.6.1. Households that report zero income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

5.6.2. If the household's expenses exceed their known income, RHA will make inquiry of the head of household as to the nature of the household's accessible resources, and documentation of expenditures may be required.

5.7. UTILITY ALLOWANCE SCHEDULE AND UTILITY REIMBURSEMENT PAYMENTS

5.7.1. The same utility allowance schedule (Appendix 5) is used for regular tenancy, over-FMR tenancy, and voucher tenancy programs. The utility allowance schedule is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual household's actual energy consumption.

5.7.2. RHA reviews the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant household's rent calculation at their next annual reexamination. The approved utility allowance schedule is given to households along with their Voucher and is based on the actual unit size selected or voucher size, whichever is lower.

5.7.3. Only in the HUD VASH program, when the utility allowance exceeds the household's total tenant payment, RHA will provide a utility reimbursement payment for the household each month. The payment will be made out directly to the tenant.

5.7.4. RHA staff will inspect all complexes identified by owners to have an Energy Efficient System or will accept either a certified HERS rating report or the Nevada Housing Division report or equivalent meeting HUD energy efficient standards to verify energy efficiency status. HCV participants leasing units in these complexes will be given the EES Utility Allowance based on the lower of the voucher size or bedroom size, as stated in the Standardized Utility Allowance Schedule (Appendix 5). Rental Assistance staff will maintain a list of approved energy efficient complexes.

5.8. MINIMUM RENT AND MINIMUM FAMILY CONTRIBUTION

The minimum family contribution in the Voucher program is \$100, except where noted in this policy.

This includes the combined amount (TTP) a household pays towards rent and/or utilities.

5.8.1. Hardship Requests for an Exception to Minimum Rent. RHA recognizes that in some circumstances even the minimum rent may create a financial hardship for households. RHA will review all relevant circumstances brought to RHA's attention regarding financial hardship as it applies to the minimum rent. The following section states RHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be

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claimed (24 CFR 5.630), and in order for a household to qualify for a hardship exception the household's circumstances must fall under one of the following HUD hardship criteria:

- 5.8.1.1. The household has lost eligibility or is awaiting an eligibility determination for Federal, State or local assistance, including a household with a member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- 5.8.1.2. The household would be evicted as a result of the imposition of the minimum rent requirement.
- 5.8.1.3. The income of the household has decreased because of changed circumstances, including loss of employment or death of a household member.
 - 5.8.1.3.1. "Loss of employment" is defined as being laid off or terminated through no fault of the employee. Loss of employment does not, for the purposes of exemption to minimum rent, include voluntarily quitting employment.
 - 5.8.1.3.2. "Death in the family", for the purposes of exemption to minimum rent, includes head of household or spouse, or any household member.
- 5.8.1.4. Other circumstances as determined by RHA or HUD.

5.8.2. Minimum rent. RHA will review all household requests for exception from the minimum rent due to financial hardships.

- 5.8.2.1. All requests for minimum rent hardship exceptions are required to be in writing and documentation will be requested as proof of financial hardship.
- 5.8.2.2. Requests for minimum rent exception must include a statement on the household hardship that qualifies the household for an exception.

5.8.3. Suspension of Minimum Rent. RHA will grant the minimum rent exception to all households who request it, effective the first of the following month. The minimum rent will be suspended until RHA determines whether the hardship is:

- Covered by statute
- Temporary or long term

- 5.8.3.1. Suspension means that RHA must not use the minimum rent calculation until RHA has made this decision.
- 5.8.3.2. During the minimum rent suspension period, the household will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.
- 5.8.3.3. If RHA determines that the minimum rent is not covered by statute, RHA will impose a minimum rent including payment for minimum rent from the time of suspension.

5.8.4. Temporary Hardship. If RHA determines that the hardship is temporary (defined as a duration of less than 90 consecutive days), a minimum rent will not be imposed for a period of up to ninety days from the date of the household's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. RHA will offer a repayment agreement to the household for any such rent not paid during the temporary hardship period.

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5.8.5. Long-Term Duration Hardships [24 CFR 5.6(e)(3)]. If RHA determines that there is a qualifying long-term financial hardship, RHA must exempt the household from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the household's request for exemption.

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6. ISSUING VOUCHERS

[24 CFR 982.301 through 982.305]

6.1. ISSUING VOUCHERS

The Admissions Office will provide applicant files in accordance with the Admissions Applicant Referral Procedure. Upon eligibility approval of the file, the applicant will be invited to the next regularly scheduled briefing session where they will be issued a Voucher.

6.2. LENGTH OF TIME

The housing authority will issue a voucher to approved families for an initial term not to exceed 180 days. RHA will determine the exact length of the initial term of the voucher based on current rental market conditions and factors such as area vacancy rate, etc.

The household will, within the initial term of the voucher, present RHA with a completed Request for Tenancy Approval (RFTA). If the RFTA is not received prior to the expiration of the voucher, the Voucher will expire, unless otherwise extended by RHA in writing as outlined in paragraph 6.3.

6.2.1. Each holder of a Voucher is responsible for finding a housing unit suitable to the holder's needs and desires. A holder of a Voucher may select the dwelling unit which the holder already occupies if the unit qualifies.

6.2.2. Upon request, RHA will provide assistance in finding units for those households who, because of age, handicap or other reasons, are unable to locate approvable units. RHA will also provide assistance where the household alleges that discrimination is preventing the household from finding a suitable unit.

6.2.3. The term of the voucher will be temporarily suspended once the RFTA is turned in and will end when RHA approves or denies the tenancy request.

6.2.4. RHA may grant extensions to the voucher in accordance with this Administrative Plan.

6.3. EXTENSIONS

A household may submit a request for an extension of the voucher term. All requests for extensions must be received prior to the expiration date of the voucher.

6.3.1. Extensions are permissible at the discretion of RHA, in increments of 30 days each, for primarily these reasons:

- Extenuating circumstances such as hospitalization or a household emergency for an extended period of time which has affected the household's ability to find a unit within the initial term of the voucher.
- RHA is satisfied that the household has made a reasonable effort to locate a unit, including seeking the assistance of RHA, throughout the initial term of the voucher. A completed search record is required.
- The household was prevented from finding a unit due to disability accessibility requirements or a household composition requiring a unit size of four bedrooms or larger. The search record is part of the required verification.

6.3.2. Suspension. The expiration of the Voucher may be suspended when contracts cannot be executed within the maximum 180-day term due to administrative delays.

6.4. APPLICANT WITHDRAWAL

6.4.1. If the applicant does not utilize their voucher prior to the expiration date, the applicant may re-apply with no limitation on when a new application may be submitted.

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7. PROJECT-BASED VOUCHER (PBV) PROGRAM

[24 CFR 983]

7.1. DESCRIPTION

- 7.1.1. Statutory Provisions Apply. Each of the provisions set forth in 24 CFR 983 applies to assistance under the PBV program.
- 7.1.2. Applicability of Tenant Based Program. Unless otherwise specified in the PBV program, the policies for the Housing Choice Voucher program will apply
- 7.1.3. Units selected for the PBV program may be existing housing, new construction or properties needing to be rehabilitated.
- 7.1.4. The number of units that can be selected per project will be limited to the greater of 25 units or 25 percent of the units in a project, except:
- 7.1.4.1. Units in a single-family building;
 - 7.1.4.2. Excepted units in a multifamily project (“Excepted units” means units in a multifamily project that are specifically made available for qualifying families.)
 - 7.1.4.3. Units allocated to the RHA Homeless PBV program and Workforce Development PBV program, based on HUD approval though MTW flexibility.
 - 7.1.4.4. RHA-owned properties, based on HUD approval through MTW flexibility.
- 7.1.5. The RHA may select owner proposals to provide project-based assistance for more than 20 percent of the amount of budget authority allocated to the RHA by HUD in the RHA voucher program, based on HUD approval through MTW flexibility.
- 7.1.6. No Displacement. Although the Uniform Relocation Act must apply, the Authority will not consider proposals from owners of properties in which families or individuals are being or will be displaced under this act.
- 7.1.7. Special Housing Types. In the PBV program, the RHA will not provide assistance for shared housing, manufactured home space rental or the homeownership option. See 24 CFR 983.53, 983.54 and 983.55 for prohibition of assistance for ineligible units, subsidized housing and units with excess public assistance.
- 7.1.8. Equal Opportunity. The PBV program requires compliance with all equal housing opportunity requirements.
- 7.1.9. Specific PBV Definitions.
- Admission.* The point when the family becomes a participant in RHA’s tenant-based or project-based voucher program (initial receipt of tenant-based or project-based voucher assistance). After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from RHA, a shift to the other form of voucher assistance is not a new admission.
- Agreement to enter into HAP contract (Agreement).* The Agreement is a written contract between the RHA and the owner in the form prescribed by HUD. The Agreement defines requirements for development of housing to be assisted under this section. When development is completed by the owner in accordance with the Agreement, the RHA will enter into a HAP contract with the owner.
- Contract units:* The housing units covered by a HAP contract.
- Excepted Units.* Units in a multifamily project not counted against the 25 percent per project cap. Only “qualifying” families can live in excepted units.

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Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the HQS on that date. The units must fully comply with the HQS before execution of the HAP contract.

Multifamily building. A building with five or more dwelling units (assisted or unassisted).

PHA-owned unit. A dwelling unit owned by RHA as the agency administering the voucher program. PHA-owned means that RHA or its officers, employees, or agents hold a direct or indirect interest in the building in which the unit is located, including an interest as titleholder or lessee, or as a stockholder, member or general or limited partner, or member of a limited liability corporation or an entity that holds any such direct or indirect interest.

Proposal selection date. The date RHA gives written notice of PBV proposal selection to an owner whose proposal is selected in accordance with the criteria established in RHA's Administrative Plan.

Qualifying families. (a) Elderly and/or disabled families and/or (b) families receiving supportive services.

Responsible Entity (for Environmental Review). The unit of general local government within which the property is located that exercises land use responsibility or, if HUD determines this infeasible, the county, or if HUD determines that infeasible, the state.

Single-family building. A building with no more than four dwelling units (assisted or unassisted).

Wrong-size unit. A unit occupied by a family that does not conform to RHA's subsidy guideline for family size, by being too large or too small compared to the guideline.

7.2. SELECTION OF PBV OWNER PROPOSALS

7.2.1. The RHA will select PBV proposals through one of the following methods:

7.2.1.1. Request for PBV proposal, or

7.2.1.2. Selection based on previous competition.

7.2.1.2.1. RHA may select, without competition, a proposal for housing assisted under a federal, State or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, and units for which competitively awarded low-income housing tax credits have been provided, where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

7.2.1.2.2. Owners wishing to submit a proposal for consideration for a unit previously selected under a Federal, state, or local government housing assistance program must submit written confirmation of the competitive selection required in 7.2.1 above, along with an application for specific units in that project to be project-based. Supporting documentation must also be submitted to enable RHA to determine if the proposal meets all of RHA's and HUD's requirements-

7.2.2. Request for Proposal (RFP) PBV Procedure:

7.2.2.1. When requesting proposals for PBV selection, the RHA will provide public notice

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of the RFP in the local news outlets as well as on its website. All RFP's will specify the submission deadline as well as detailed application and selection information.

- 7.2.2.2. Before selecting a PBV proposal, the RHA will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing, complies with the cap on the number of PBV units per project and meets the site selection standards as well as HQS substantial compliance.
- 7.2.2.3. Upon selection of a PBV proposal, the RHA will notify the owner in writing within 10 business days of the selection and provide public notice of the selection on its website.

7.2.3. Site Selection Standards. Before any PBV proposal can be selected, the site selection standards set forth in 24 CFR 983.57 must be met. For all proposed properties RHA must determine that:

- a) Project-based assistance at the site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunity. RHA may consider proposals that promote the removal of blighted and dilapidated housing, the creation of affordable housing opportunities in neighborhoods targeted by the local government, and the assistance of non-profit organizations that are located or working in such targeted neighborhoods are specific RHA goals in this determination.
- b) The site is suitable from the standpoint of facilitating and furthering full compliance with applicable provisions of civil rights acts.
- c) The site meets HQS site standards.

7.2.4. Site Selection Plan. In addition to HUD requirements set forth in 24 CFR 983.57, RHA's PBV site selection plan is that:

- a) RHA may attempt to support Reno, Sparks, and Washoe County in their efforts to improve specified neighborhoods by deconcentrating poverty and expanding housing and economic opportunity. Where such neighborhoods have been identified for other public funding improvement goals, such requests will receive a high priority.
- b) RHA may encourage non-profit groups, faith-based organizations and minority organizations, where possible, to become new providers of affordable housing for low-income persons or to expand the supply of housing for low-income persons, and such requests will receive a high priority.
- c) RHA may encourage proposals that would provide needed housing for elderly and/or disabled persons, and special needs populations identified in the City of Reno's Consolidated Plan, or other priorities set forth annually in RHA's Agency Plan.
- d) RHA may encourage proposals that are reasonably near to public transportation and provide shopping opportunities for the low-income families living at the site.
- e) RHA may encourage housing proposals that provide needed supportive services for disabled persons and will ensure that the site is accessible to the population to be served.
- f) RHA will consider each site in light of the specific requirements in 24 CFR 983.57 to determine if it is consistent with the requirements.

7.2.5. Environmental Review. Activities under the PBV program are subject to HUD environmental regulation in 24 CFR parts 50 and 58. RHA will follow guidelines set forth in 24 CFR 983.58

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regarding environmental review in the PBV program.

- 7.2.6. RHA Owned or Managed Properties. Section 8 of this Administrative Plan outlines the process for assigning PBV's to RHA owned properties including exceptions to HUD requirements related to inspection and reasonable rent determinations waived with HUD approval through MTW flexibility.
- 7.2.7. Documentation Available to the Public. RHA's selection decision documentation will be made available, upon request, for public review regarding the basis for the selection of the PBV proposal.
- 7.2.8. Ineligible Housing Types. RHA will not consider any proposals for PBV assistance for units deemed ineligible under 24 CFR 983.53 or in subsidized housing as defined in 24 CFR 983.53.
- 7.2.9. Excess Public Assistance. RHA cannot approve any proposals that involve excessive public assistance for the housing as defined in 24 CFR 983.55 and 24 CFR 4.13.
- 7.2.10. Certification Required Regarding Disclosure of Public Assistance Funding. If approved, the HAP contract must contain the owner's certification that the property has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development or operation of the housing other than that disclosed in the subsidy layering review.

7.3. DWELLING UNITS

- 7.3.1. Housing Quality Standards/Accessibility Requirements. RHA will require that all PBV units meet Housing Quality Standards in 24 CFR part 982. The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act, implementing regulations at 24 CFR part 8 and, for properties constructed after March 31, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1998.
- 7.3.2. Inspections. The RHA will examine the proposed site before the proposal selection date. RHA must inspect all existing units before the proposal selection date to determine whether the units substantially comply with the HQS. All units must fully comply with HQS prior to execution of a HAP contract. After execution of a HAP contract, turnover inspections will be conducted on units prior to providing assistance to a new family. Supervisory quality control inspections will be conducted and will include a representative sample of both tenant-based and project-based units.

7.4. REQUIREMENTS FOR REHABILITATED AND NEWLY CONSTRUCTED UNITS

- 7.4.1. The RHA may enter into an Agreement to enter into a HAP contract to provide PBV assistance for newly constructed or rehabilitated housing. This Agreement must be in the form required by HUD. Provisions of the Agreement will follow guidelines set forth in 24 CFR 983.152, 983.153, 983.154, 983.155, 983.156 and 983.157.

7.5. HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT

- 7.5.1. HAP Contract Purpose and Specifications. RHA will enter into a HAP contract with the owner. With the exception of single-family scattered site projects, a HAP contract shall cover a single project. If multiple projects exist, each project shall be covered by a separate HAP contract. The HAP contract must be in the form required by HUD and must specify:
- a) Total number of contract units
 - b) Name of complex, address and parcel number
 - c) Breakdown of units by building, specific location of each unit, number of bedrooms and bathrooms
 - d) What services, maintenance, and equipment to be supplied by owner without charges in addition to the rent

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- e) Utilities available to the contract units and breakout of which are paid by the owner (without charges in addition to rent) and which by the tenant
- f) Accessibility features
- g) HAP contract term
- h) The number of units in any building that will exceed the 25 percent per building cap, which will be set-aside for occupancy by elderly or disabled families
- i) Initial rent to owner (for the first 12 months of the HAP contract).

- 7.5.2. The RHA will not enter into a HAP contract for any contract unit until RHA has determined that the unit complies with HQS.
- 7.5.3. In the case of existing housing, the HAP contract must be executed promptly after the RHA selection of the owner proposal and RHA inspection of the housing.
- 7.5.4. In the case of newly constructed or rehabilitated housing the HAP contract must be executed after the RHA has inspected the completed units and has determined that the units have been completed in accordance with the Agreement and the owner has furnished all required evidence of completion.
- 7.5.5. Term of HAP Contract. The RHA may enter into a HAP contract with an owner for an initial term of up to 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year and no more than 20 years. RHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, in accordance with HUD requirements, if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families.
- 7.5.6. Contract Subject to Funding. The HAP contract will clearly set forth that RHA's contractual obligation is subject to availability of sufficient appropriated funding as determined by HUD or RHA. If either determines there is not sufficient funding, RHA has the right to terminate the contract. The owner may terminate the HAP contract, upon notice to RHA, if the amount of rent to the owner for any contract unit is reduced below the initial amount set at the beginning of the HAP contract term.
- 7.5.7. Housing Quality Standards Must be Maintained. The owner must maintain and operate the contract units and premises in accordance with HQS, including ordinary and extraordinary maintenance, and must provide all the services, maintenance, equipment and utilities set forth in the HAP contract.
- 7.5.8. Penalties When Unit Does Not Meet HQS. No housing assistance payment will be made to the owner for a contract unit for any period the unit does not comply with HQS. Moreover, RHA can terminate the HAP contract, terminate payments, abate or reduce payments, charge a \$75 third inspection fee to the owner, or reduce the number of contract units if a contract unit is not in accordance with HQS or other HAP contract requirements.
- 7.5.9. Contract termination or expiration. Not less than one year before termination of a PBV HAP contract, the owner must notify the PHA and assisted tenants of the termination. If an owner does not give timely notice of termination, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.
- 7.5.10. HAP Contract amendments.
- 7.5.10.1. At the discretion of the RHA and subject to all PBV requirements, the HAP contract

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may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, the RHA must inspect the proposed substitute unit and must determine the reasonable rent for such unit.

- 7.5.10.2. At the discretion of the RHA, and provided that the total number of units in a project that will receive PBV assistance will not exceed the project cap, a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same project. An amendment to the HAP contract is subject to all PBV requirements, except that a new PBV request for proposals is not required. The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.
- 7.5.10.3. If contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.
- 7.5.10.4. Units occupied by families whose income has increased during their tenancy resulting in the tenant rent equaling the rent to the owner, shall be removed from the HAP contract 365 days following the last housing assistance payment on behalf of the family. If the project is fully assisted, RHA may reinstate the unit removed after the ineligible family vacates the property. If the project is partially assisted, the RHA may substitute a different unit for the unit removed.

7.6. OCCUPANCY

- 7.6.1. Separate Waiting List for Each PBV Property. RHA may establish a separate project-based waiting list for each PBV property by bedroom size with the preference listed below and the preferences outlined in 3.7. Persons on the current tenant-based voucher waiting list at the time it is established will be given an opportunity to also apply for the PBV waiting list.
- 7.6.2. Landlord Maintained Waiting List. RHA may enter into an agreement in which a landlord could maintain their own project-based waiting list. Upon determination of suitability for occupancy, property manager/owner will then forward the referral to RHA for final eligibility determination.
- 7.6.3. Absolute Selection Preference For In-Place Families. Program eligible families residing in a proposed contract unit on the proposal selection date must be placed on RHA's waiting list and given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. This preference does not apply to families that were not eligible on the project selection date.
- 7.6.4. Referrals of Families Requiring Accessible Features. Applicants for PBV waiting lists will be asked if they require accessible features and only those applicants will be referred to units with the required features. If there are units with accessible features available, and no families on the waiting list needing the features, the first eligible family on the waiting list will be referred to the unit.
- 7.6.5. Oral Briefing for Referral. An oral briefing must be given to any family who accepts an offer of PBV assistance. The briefing must contain the information set forth in 24 CFR 983.252.
- 7.6.6. Selection and Referral. Tenants will be selected by the owner from eligible families selected and

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referred by RHA from its waiting list for the property. Tenants selected must be placed in units that are appropriate for the family size in accordance with RHA's subsidy standards.

- 7.6.7. Owner Notification of Applicant Rejection. Within 10 days of the rejection, the owner must notify any rejected applicant in writing of the grounds for the rejection. Such rejection by the owner does not affect the family's position on RHA's waiting list for tenant-based assistance.
- 7.6.8. Reporting of Vacancies. The owner must properly notify RHA of vacancies and expected vacancies, and RHA will promptly refer a sufficient number of applicants for the owner to fill the units in a timely manner.
- 7.6.9. Long-Term Vacancies. If a unit is left vacant for 120 or more days in spite of good faith efforts by RHA to fill the vacancy, RHA may give notice to the owner amending the HAP contract to delete the unit.
- 7.6.10. Owner to Screen Tenants. RHA will not screen for family behavior or suitability of tenants, other than the same criminal history screening done for all other Housing Choice Voucher applicants to ensure eligibility for the program. It is the owner's responsibility to do all other screening.
- 7.6.11. RHA will Provide Certain Information on Applicants. Where available and when requested, RHA will provide landlords on the PBV program with the family's current and prior address and the name and address of the family's current or prior landlord. Upon request, RHA will provide documented information regarding tenancy history for the past five years to prospective owners/managers. RHA may provide oral or written tenant/household information for the last five years, based on documentation in its possession, limited to the following:
- Balance of money owed
 - Termination for violation of family obligations and reasons for the termination
 - Damages caused to a unit
 - Involvement with fraud, bribery, or other corrupt or criminal acts
 - Serious or repeated violation(s) of the signed lease agreement
 - Drug-related criminal activity or other criminal activity by household members
- RHA will make an exception to this requirement if the household's whereabouts must be protected due to domestic abuse or witness protection. This policy on providing information to owners/managers is included in the voucher programs' briefing packets and will apply uniformly to all tenants/households and owners/managers.
- 7.6.12. Lease Required. The landlord and tenant must be able to enter into a lease and must execute a lease that complies with state and local law, has the HUD required tenancy addendum, and has been approved by RHA.
- 7.6.13. Security Deposit. The owner must collect a security deposit that is consistent with private market practices and does not exceed the amount collected from unassisted tenants.
- 7.6.14. Absence from unit. Restrictions on absence from the unit will be the same as those for tenants in the Housing Choice Voucher Program.
- 7.6.15. Wrong Sized Unit/Accessible Unit Not Needed/Remaining Family Member. If a family is in the wrong sized unit under RHA's subsidy standards, or in an accessible unit that it does not need but is needed by another family, or is (are) the remaining family member(s) who no longer qualifies(y) for elderly or disabled family status in an excepted unit, RHA may, at its discretion, offer the family one of the following: (a) Project-based voucher assistance in an appropriate-size unit (in the

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same building or in another building), (b) Public Housing assistance, or (c) a Housing Choice Voucher to move elsewhere to remedy the situation. If the tenant refuses to move out of the unit within 60 days of the applicable offer being made, RHA will terminate the housing assistance for the wrong size, accessible, or unqualified for unit. No unit occupied by an ineligible family after this period will be eligible for PBV assistance.

- 7.6.16. Right to Move After First Year. The tenant in a Competitively Selected PBV unit has the right to move with continued assistance after the first year of occupancy. If the tenant chooses to move, the tenant must inform RHA before giving 30 days' notice of intent to vacate to the owner. RHA will give the family a Housing Choice Voucher as soon as one is available before families on RHA's Housing Choice Voucher waiting list. Families will be given the Housing Choice Voucher in the order requested.

7.7. RENT TO OWNER

[24 CFR 983.301 – 983.305]

- 7.7.1. Initial Rent. The initial rent is set at the beginning of the HAP contract term based on the most recent MAFMR and utility allowance; however, RHA may use the amounts in effect up to 30 days prior to the HAP contract execution.
- 7.7.2. Limitations on Rent. Except for certain tax credit units as set forth in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- a) Amount determined by RHA, not to exceed 110 percent of the MAFMR (or any exception payment standard) for the unit bedroom size minus any utility allowance,
 - b) The reasonable rent, or
 - c) The rent requested by the owner.
- 7.7.3. Limitations on Rents Set by Other Funding Sources. In the case of units receiving funding from other sources (e.g., LIHTC or HOME) described in 24 CFR 983.301(c) the rent to owner must not exceed the lowest of:
- a) The rent of the applicable funding source minus any utility allowance,
 - b) The reasonable rent, or
 - c) The rent requested by the owner.
- 7.7.4. Redetermination of Rent. RHA will redetermine the rent to owner in accordance with 24 CFR 983.302 only:
- a) Upon the owner's request at the annual anniversary of the HAP contract, or
 - b) When there is a ten percent decrease in the published Fair Market Rents.
- 7.7.5. Requests for Rent Increases. Requests for rent increases must be submitted in writing at least 60 days before the annual anniversary of the HAP contract. The request must specify the unit address, HAP contract date, the current rent and utility allowance, and the proposed rent and utility allowance.
- 7.7.6. Owner Must Comply with all HAP Contract Requirements to Receive Rent Increases. No increase in rent will be approved or become effective until and unless the owner has complied with all requirements of the HAP contract, including compliance with HQS.
- 7.7.7. Fair Market Rent Decrease. If the Fair Market Rent decreases ten percent or more a new determination of rent must be made consistent with 7.7.1 and 7.7.2 above. If this results in a decrease in the rent to owner under 24 CFR 983.301(b) or (c), the rent must be decreased by RHA.

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7.7.8. Written Notice of Redetermined Rents. RHA must provide written notice of redetermined rents. This notice constitutes an amendment of the rent to owner specified in the HAP contract.

7.7.9. Rent Cannot Exceed Reasonable Rent. At no time may the rent to owner exceed the reasonable rent. Accordingly, RHA must redetermine the reasonable rent:

- a) When there is a ten percent or greater decrease in published Fair Market Rent.
- b) When RHA approves a change in the allocation of responsibility for utilities between the owner and tenant.
- c) Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
- d) Whenever there is any change that may substantially affect the reasonable rent.

7.7.10. Comparability Study. The determination of reasonable rent will be based on comparison rents for at least three comparable units in the private unassisted market. The study will be consistent with the requirements of 24 CFR 983.303(c). The comparable analysis must not be maintained or conducted by anyone who may have a direct or indirect interest in the property.

7.7.11. HUD Subsidy Layering Requirements. Rents to owner must not exceed any limitation necessary to comply with HUD subsidy layering requirements.

7.8. PAYMENT TO OWNER

7.8.1. HAP Contract Terms. Housing assistance payments to the owner will be made in accordance with the terms of the HAP contract. Payments will be made for the months during which a contract unit is leased and occupied by an eligible family.

7.8.2. Move-out Month. If an assisted family moves out of a unit, the RHA will prorate the assistance paid based on the date the unit was vacated. Owners will be eligible to receive additional payments as outlined in the Landlord Incentive Program. See Section 24.2.

7.8.3. Vacancy Payments. RHA reserves the right to strike the vacancy payments provision from any PBV HAP contract prior to execution per 24 CFR 983.352(b). If vacancy payments are to be made as part of the contract, they will be for up to one full calendar month from the beginning of the first calendar month after the move-out month:

- a) The exact payment will be determined by RHA but cannot exceed the monthly unit rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Vacancy payments will be limited to the HAP paid on behalf of the family for the month prior to the termination of the lease.
- b) The vacancy payment may cover only the period the unit remains vacant.
- c) The payment will be made only if the owner:
 - i. Gives RHA prompt written notice certifying that the family has vacated and include the date vacated to the best of the owner's knowledge and belief;
 - ii. Certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period claimed;
 - iii. Certifies that every reasonable action has been taken to minimize the likelihood and length of vacancy; and
 - iv. Submits a written request as required by RHA and provides requested documentation.

7.8.4. Tenant Rent. The tenant rent (or portion of the rent paid to the owner by the family) will be

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determined by RHA and this determination will be made in accordance with HUD requirements. Any changes will be effective on the date stated in a notice by RHA to the family and owner.

7.8.5. Tenant Payment to the Owner. The family is responsible for paying the tenant rent (total tenant payment minus utility allowance). The owner may not charge the family any additional amount for laundry services, maintenance, equipment or utilities.

- a) The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent determined by RHA and must immediately return any excess payment to the tenant.
- b) The tenant is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of RHA's housing assistance payment.
- c) RHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract, not for paying the tenant rent or for paying any other claim by the owner.
- d) RHA may not use housing assistance payments or other program funds to pay any part of the tenant rent or to pay any other claim by the owner.
- e) RHA may not make any payment to the owner for any damage to the unit, or for any other amount owed by a family under the lease or otherwise.

7.8.6. Other Fees and Charges. Owners may not charge the tenant or family members for meals, supportive services or items customarily included in the rent, and non-payment of such charges is not grounds for termination of tenancy.

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8. PROJECT BASED VOUCHERS UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD-PBV)**8.1. GENERAL REQUIREMENTS****8.1.1. Applicable Regulations**

The regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

As an MTW agency, projects converted to RAD PBV maintain any MTW waivers or alternative requirements that do not conflict with RAD requirements. RHA, as an MTW agency, may also modify the special RAD requirements (except where explicitly noted in Section 1.6 of the RAD Notice) via an approved MTW Plan or an MTW Supplement to an approved PHA Plan.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in PIH Notice 2019-23. Any non-RAD PBV units located in the covered project are subject to the same waivers and alternative requirements where noted in PIH Notice 2019-23 and in this policy.

If not otherwise stated, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) notices and guidance, including related handbooks, apply to RAD PBV.

Requirements specific to the RAD program may be found in the following:

- Public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing.
 - PIH Notice 2019-23 is immediately applicable at the time of closing to all projects converting assistance (notwithstanding execution of a commitment for conversion).
 - Except with respect to changes in the project eligibility and selection criteria, not included in this policy, which are effective after a 30-day comment period.
- RAD Quick Reference Guide for Public Housing Converting to PBV Assistance.
- PIH Notice 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
- RAD FAQs (<http://www.radresource.net/search.cfm>)

8.1.2. Tenant-Based VS. Project-Based Voucher Assistance [24 CFR 983.2]

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, RHA policies for the project-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

8.1.3. Relocation Requirements [PIH 2016-17]

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- In some developments, in-place residents may need to be relocated as a result of properties undergoing significant rehabilitation, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed. Any non-RAD PBV units located in the same project are also subject to the right to return.
- Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements, and other requirements which may be applicable such as Section 104(d) of the Housing and Community Development Act of 1974, as amended. A written relocation plan is required if the RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year.
- RHA must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.
- Residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either: a) a unit at the development once rehabilitation or construction is completed, provided the resident's household is not under-housed; or b) a unit in the development which provides the same major features as the resident's unit in the development prior to the implementation of the RAD conversion.
- Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.
- If the RHA's proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. RHA will alter the project plans to accommodate the resident's right to return to the development if the resident would be precluded from returning to the development.
- Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:
 - Changes in the development's bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
 - The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;
 - Income limit eligibility requirements associated with the LIHTC program or another program; and
 - Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.
- Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept an offer to permanently relocate to alternative housing, and thereby waive their right to return to the development after rehabilitation or construction is completed. In this event, RHA must secure the resident's written consent to a voluntary permanent relocation in lieu of returning to the development. RHA may not terminate a resident's lease if RHA fails to obtain the resident's consent and the

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resident seeks to exercise the right to return.

- In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident's right to return must be accommodated within the development associated with the resident's original unit, however, RHA may treat multiple converted developments on the same site as one for purposes of right to return. Should RHA seek to have the resident exercise the right to return at a future phase, RHA will secure the resident's consent in writing.
- Alternative housing options may involve a variety of housing options, including but not limited to:
 - Transfers to another public housing complex or unit
 - Admission to other affordable housing properties subject to applicable program rules
 - Issuance of a Housing choice voucher (HCV)
 - Other options identified by the RHA

8.1.4. Equal Opportunity Requirements [24 CFR 983.8; 24 CFR 5.105; Notice PIH 2016-17]

RHA will comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance.

8.2. PBV PROJECT SELECTION

Unlike in the standard PBV program, projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2019-23. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

8.2.1. Ownership and Control [Notice PIH 2019-23]

For projects governed by Notice PIH 2019-23, the following language applies:

- Under the PBV program, the contract administrator and the owner listed on the contract cannot be the same legal entity (i.e., RHA cannot execute a contract with itself). To avoid this situation, RHA will either: 1) Transfer the ownership of the project to a nonprofit affiliate or instrumentality of the RHA (including to a "single-purpose entity" that owns nothing other than the property, which will typically be a requirement of a lender or investor), or 2) RHA can form a related entity that is responsible for management and leasing and can serve as the owner for purposes of the Section 8 HAP contract; in this scenario, the HAP is then executed between the RHA (as the contract administrator) and the RHA's related entity (as the owner for HAP contract purposes). Note that in the second scenario, both the RHA and the entity serving as the owner for HAP contract purposes will be required to sign the RAD Use Agreement [RAD Resource Desk FAQ 01/24/19].
- Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. HUD may also allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the project, but only if HUD determines that RHA or a nonprofit entity preserves an interest in the profit. The requirement for a public or non-profit entity, or preservation of an interest by RHA or non-profit in a property owned by a tax credit entity controlled by a for-profit entity, is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal

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authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) demonstrates other ownership and control arrangements approved by HUD.

- Control may be established through the terms of the project owner's governing documents or through a Control Agreement, provided that in either case amendment of the terms of control requires consent from HUD.

8.2.2. **RHA-Owned Units** [24 CFR 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

RHA will utilize HUD approved MTW Activity 2014-01 waiving the use of a HUD approved independent entity to set rents and inspect RHA owned properties and will set rents and inspect its own units.

The definition of ownership or control provided under Notice PIH 2019-23 (listed above) is used specifically to determine whether a RHA retains control over a project for purposes of HUD's requirement for ownership or control of the covered project under RAD. For purposes of determining whether an independent entity will perform certain functions for the project, the definition of *PHA-owned* under Notice PIH 2017-21 is used. This is the same definition used for standard PBV units. In some cases, a project may meet the RAD definition of ownership or control but may not be considered RHA-owned for purposes of requiring an independent entity.

8.2.3. **Subsidy Layering Requirements** [Notice PIH 2019-23; Notice PIH 2012-32, Rev-3; Notice PIH 2012-32, Rev-2]

For projects governed by Notice PIH 2019-23, the following language applies:

- If RHA will no longer have ACC units as a result of the pending or simultaneous closing, or have less than 50 units remaining and have initiated procedures to dispose of their final ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; RHA may convey all program funds to the covered projects or projects through the conversion. However, RHA must estimate and plan for outstanding liabilities and costs and must follow Notice PIH 2016-23 or successor notice regarding the administrative activities required to terminate the ACC if it has no plans to develop additional public housing.
- If RHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review.
- Following execution of the HAP contract, RHA will be authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, RHA may not contribute public housing program funds to the covered project unless those funds have been identified in the RAD Conversion Commitment (RCC) and converted at closing for Section 8 RAD purposes.

8.2.4. **PBV Percentage Limitation and Unit Cap** [Notice PIH 2019-23]

8.2.4.1. **PBV Percentage Limitation:** Covered projects do not count against the maximum amount of assistance RHA may utilize for the PBV program, which under the standard PBV program is set at 20 percent of the authorized units allocated to RHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24

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CFR 983.6.

8.2.4.2. **Unit Cap Limitation:** Under the standard PBV program the cap is set at the greater of 25 units or 25 percent of the units in the project. HUD is waiving this requirement, and projects governed by PIH Notice 2019-23 have no cap on the number of units that may receive PBV assistance in a project.

8.2.5. **Site Selection Standards** [Notice PIH 2019-23; Notice PIH 2016-17]

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

To facilitate the uniform treatment of residents and units, any non-RAD PBV units located in the same project are subject to the terms of this provision.

HUD will conduct a front-end civil rights review of RHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

RHA will ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

8.2.6. **Environmental Review** [Notice PIH 2019-23; Environmental Review Requirements for Rad Conversions, March 2019]

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Once an awardee submits an application for a specific project, they may not make any choice limiting actions before the completion of the environmental review.

8.3. DWELLING UNITS8.3.1. **Housing Quality Standards** [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program generally apply to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

8.3.1.1. **Lead-based Paint** [24 CFR 983.101(c); Notice PIH 2019-23]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

8.3.2. **Housing Accessibility for Persons with Disabilities** [Notice PIH 2016-17]

Federal accessibility requirements apply to all conversions, whether they entail new construction, alternations, or existing facilities. The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. RHA will ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

8.3.3. **Inspecting Units Initial Inspection** [RAD Quick Reference Guide; Notice PIH 2019-23]

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In order to accommodate projects in which significant rehabilitation is conducted, HUD has waived regulations at 24 CFR 983.103(b), RHA may not enter into a HAP contract until RHA has determined all units comply with HQS, when units are undergoing rehabilitation. In this case, units must meet HQS by the date indicated in the RAD Conversion Commitment (RCC). Before providing assistance to a new family in a contract unit, RHA will inspect the unit. RHA will not provide assistance on behalf of the family until the unit fully complies with HQS [24 CFR 983.103(c), FR Notice 1/18/17, and Notice PIH 2017-20].

RHA utilizes a biennial inspection schedule. At least once every 24 months during the term of the HAP contract, RHA will inspect a random sample consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, RHA must reinspect 100 percent of the contract units in the building.

In the case of mixed-finance properties that are subject to alternative inspections, RHA may rely upon an alternative inspection conducted at least triennially to demonstrate compliance with inspection requirements [24 CFR 983.103(g); Notice PIH 2016-05].

As noted above, in the case of RHA-owned units, required inspections will be performed by HQS certified RHA staff.

8.4. HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with RHA, who will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions [PBV Quick Reference Guide 10/14]

8.4.1. HAP Contract Requirements

8.4.1.1. Contract Information [PBV Quick Reference Guide (10/14)]

The RAD PBV program uses the RAD-PBV HAP contract for new construction or rehabilitated housing. To execute a RAD-PBV HAP contract, the project must have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

8.4.1.2. Execution and Effective date of the HAP Contract [RAD Blast! 7/11/16]

When the conditions of the CHAP and the RCC are met and the conversion has closed, RHA will execute the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

8.4.1.3. Term of HAP Contract [Notice PIH 2019-23]

The initial term of the HAP contract may not be for less than 15 years and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to RHA and HUD approval, at another site through a future transfer of assistance. Contracts are subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which permits a minimum term of one year, as well as 24 CFR 983.205(a), which governs the contract term.

8.4.1.4. Mandatory Contract Renewal [Notice PIH 2019-23]

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By statute, upon contract expiration, the agency administering the vouchers will offer, and the RHA will accept, renewal of the contract for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to RHA and HUD approval, at another site through a future transfer of assistance. The contract is subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing RHA's discretion to renew the contract, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

8.4.1.5. Remedies for HQS Violations [24 CFR 983.208(b)]

RHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If RHA determines that a contract unit does not comply with HQS, RHA will engage remedies for HQS Violations as outlined in Section 11 of this plan.

8.4.2. Amendments to the HAP Contract

8.4.2.1. Floating Units [Notice PIH 2019-23]

HUD permits and RHA will utilize floating units when appropriate. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

When utilizing floating units, they are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward. RHA will float units, when applicable.

8.4.2.2. Reduction in HAP Contract Units [Notice PIH 2019-23]

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

RHA will not reduce the number of assisted units without written HUD approval. Any HUD approval of RHA's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

If units are removed from the HAP contract because a new admission's Total Tenant Payment (TTP) comes to equal or exceed the gross rent for the unit and if the project is fully assisted, RHA will reinstate the unit after the family has vacated the property. If the project is partially assisted, RHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.

8.4.3. HAP Contract Year and Anniversary Dates [24 CFR 983.302(E)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

8.4.4. Vacancy Payments [24 CFR 983.352(B)]

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RAD-PBV contracts will provide for vacancy payments to the owner for a predetermined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be identified in the RAD-PBV contract and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner, including amounts available from the tenant's security deposit.

8.5. SELECTION OF PBV PROGRAM PARTICIPANTS**8.5.1. Prohibited Rescreening of Existing Tenants Upon Conversion** [Notice PIH 2019-23]

Current households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by PIH Notice 2019-23 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for non-RAD PBV. Any non-RAD PBV units located in the same project are also subject to the right to return.

For the RAD PBV program, *in-place family* means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

8.5.2. Eligibility for PBV Assistance [24 CFR 983.251(A) And (B)]

RHA will determine an applicant family's eligibility for the RAD-PBV program in accordance with the policies in Section 2 of this plan.

8.5.3. Organization of the Waiting List [24 CFR 983.251(C); Notice PIH 2019-23]

RHA will establish and manage separate site-based waiting lists for individual projects or buildings that are receiving RAD PBV assistance. Additional preferences may be applied to RAD-PBV site-based lists in addition to those identified in Section 3 of this plan.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, RHA will consider transferring such household, consistent with program requirements for administration of waiting lists, to RHAs remaining public housing waiting lists, in addition to transferring such household to the waiting list for the covered project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

RHA will maintain all site-based wait lists in accordance with all HUD regulations and Section 3 of this plan.

8.5.4. Selection from the Waiting List [24 CFR 983.251(C)]

RHA will select applicants from wait lists in accordance with the provisions of Section 3 of this plan.

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8.5.4.1. Income Targeting [24 CFR 983.251(c)(6); Notice PIH 2019-23]

RHA will utilize income targeting as outlined in Section 3 of this plan. Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements. Any non-RAD PBV units located in the same project are also subject to these requirements.

8.5.4.2. Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy RAD-PBV units that have special accessibility features for persons with disabilities, RHA will first refer families who require such features.

8.5.4.3. Preferences [24 CFR 983.251(d); FR Notice 11/24/08; Notice PIH 2019-23]

Additional site-specific preferences may be applied to RAD-PBV site-based wait lists in addition to those identified in Section 3 of this plan.

RHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refusing to list the applicant on the waiting list for tenant-based voucher assistance
- Denying any admission preference for which the applicant qualifies
- Changing the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under RHA's selection policy
- Removing the applicant from the tenant-based voucher waiting list

8.5.5. Acceptance of Offer [24 CFR 983.252]

When a family accepts an offer for PBV assistance, RHA will provide the family with an oral briefing (See Section 11). If an applicant family's head or spouse is disabled, RHA will provide effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, RHA will have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit. RHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

8.6. OCCUPANCY**8.6.1. Overview**

After an applicant has been selected from the waiting list, determined eligible by RHA, briefed and referred to the unit, the family will sign the lease and occupancy of the unit will begin.

8.6.2. Lease [24 CFR 983.256]

The tenant must have legal capacity to enter into 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.

The tenant and the owner/owner entity must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

8.6.2.1. Lease Requirements [24 CFR 983.256(c); Notice PIH 2019-23]

The lease for a PBV unit must specify all of the following information:

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- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
- The amount of any charges for food, furniture, or supportive services.

In addition to the above, RHA will include resident procedural rights for termination notification and grievance procedures in the lease. These requirements are not part of the regular PBV program but are required under RAD.

8.6.2.2. Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements
- The composition of the household as approved by RHA (the names of family members and any RHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

8.6.2.3. Initial Term and Lease Renewal [24 CFR 983.256(f); PBV Quick Reference Guide (10/14)]

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- RHA terminates the HAP contract
- RHA terminates assistance for the family

8.6.2.4. Changes in the Lease [24 CFR 983.256(e)]

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If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give RHA a copy of all changes.

The owner must notify RHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by RHA and in accordance with the terms of the lease relating to its amendment. RHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

8.6.2.5. Owner Termination of Tenancy [24 CFR 983.257; Notice PIH 2019-23]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

The termination procedure for RAD conversions to PBV require adequate written notice of termination of the lease which may not be less than:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, RHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply.

These provisions apply to non-RAD PBV units located in the project as well.

8.6.2.6. Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by RHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. RHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted. See Section 17 of this plan for policy related to absence from the unit.

8.6.2.7. Continuation of Housing Assistance Payments [24 CFR 983.258; Notice PIH 2019-23]

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, until such time as the family’s TTP falls below the gross rent, the family will pay the owner the lesser of their TTP minus the utility allowance or any applicable maximum rent under the LIHTC program. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Any non-RAD PBV units located in the same project are

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also subject to these requirements.

Unless a waiver is requested and approved, following conversion, 24 CFR 983.53(d) applies, and any new admission referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program.

For any new families admitted after the conversion, assistance will be terminated 365 days after the last housing assistance payment on their behalf. The cessation of housing assistance payments does not affect the family's other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the 365-day window. If a family's assistance is terminated as a result of their zero HAP status, RHA must remove the unit from the HAP contract. If the project is fully assisted, RHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, RHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207 (See Section 15.1).

8.6.2.8. Security Deposits [24 CFR 983.259; PBV Quick Reference Guide (10/14)]

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise, the security deposit requirements for standard PBV apply. The owner may collect a security deposit from the tenant. The owner will not set security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

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

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. RHA has no liability or responsibility for payment of any amount owed by the family to the owner, if the owner is not a RHA or an associated entity of RHA.

8.6.3. Public Housing FSS and Ross Participants [Notice PIH 2019-23]

Current PH FSS participants will continue to participate in RHA's FSS program, RHA is allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding availability (NOFA), to serve those FSS participants who live in units converted to RAD and who will, as a result be moving to the HCV FSS program. RHA will then convert the PH FSS program participant at the covered project to their HCV FSS program.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

Any non-RAD PBV units located in the same project are also subject to these requirements.

8.6.4. Resident Participation and Funding [Notice PIH 2019-23]

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

8.6.5. Moves

8.6.5.1. Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260; Notice PIH

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All in-place tenants at the time of conversion are eligible to return to the project post construction/rehabilitation. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family. Any non-RAD PBV units located in the same project are also subject to these requirements.

Following conversion, the standard PBV regulations apply. If RHA determines that a family is occupying a wrong-size unit, based on RHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, RHA must promptly notify the family and the owner of this determination, and RHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project
- PBV assistance in another project
- Tenant-based voucher assistance

If RHA offers the family a tenant-based voucher, the RHA will terminate the housing assistance payments for a wrong-size or accessible unit at the earlier of the expiration of the term of the family's voucher, including any extension granted by RHA, or the date upon which the family vacates the unit. If the family does not move out of the wrong-size unit or accessible unit by the expiration of the term of the family's voucher, RHA must remove the unit from the HAP contract.

When RHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 calendar days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, RHA will terminate the housing assistance payments at the expiration of this 30-day period. RHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

8.6.5.2. Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the RHA. See Section 17.6 of this plan for further information.

8.6.5.3. Choice Mobility [Notice PIH 2019-23]

If the family wishes to move with continued tenant-based assistance, the family must contact RHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, RHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance.

RHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

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8.6.5.4. Turnover Cap

RHA is not subject to a turnover cap as a result of exceeding 20% of Annual Budget Authority in PBV assignment (both RAD and standard PBV assignment) as waived by HUD approved MTW Activity #2024-02.

8.6.5.5. Emergency Transfers under VAWA [Notice PIH 2017-08]

When the victim of domestic violence, dating violence, sexual assault, or stalking residing in a RAD-PBV unit requests an emergency transfer based on VAWA protections, RHA will follow the provisions set forth in Section 17.1.4 of this plan.

8.6.6. **Reexaminations** [PBV Quick Reference Guide (10/14)]

See Section 14 of the plan for information on reexaminations.

8.6.7. **Residents' Procedural Rights** [Notice PIH 2019-23]

In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV requires adequate written notice of termination of the lease, which is:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

8.6.8. **Informal Reviews and Hearings** [Notice PIH 2012-32, REV-3]

In addition to the provisions of Section 21 of this plan, the owner must provide an opportunity for an informal hearing before an eviction.

8.7. DETERMINING CONTRACT RENT8.7.1. **Initial Contract Rents** [Notice PIH 2019-23]

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for RHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2019-23. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

RHA may adjust subsidy (and contract rents) across multiple projects as long as RHA does not exceed the aggregate subsidy for all of the projects RHA has submitted for conversion under RAD.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing

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program and any modifications made to the initial contract rent, the initial rents are set at the lower of:

- An amount determined by RHA, not to exceed 110 percent of the fair market rent (FMR) or RHA's exception payment standard approved by HUD, or the alternate rent cap in RHA's MTW agreement minus any utility allowance
- The reasonable rent
- The rent requested by the owner

8.7.1.1. Adjusting Contract Rents [Notice PIH 2019-23; PBV Quick Reference Guide (10/14)]

Contract rents will be adjusted annually only by HUD's operating cost adjustment factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance)
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant

The contract rent adjustment will be the lesser of:

- The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the *Federal Register*; or
- The reasonable rent

RHA (or independent entity, if the project is PHA-owned) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least 120 days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to the PHA administering the PBV assistance (or the independent entity). RHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

8.7.1.2. Rent Decrease

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

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8.7.2. Utility Allowances [Notice PIH 2019-23; PBV Quick Reference Guide (10/14)]

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, RHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract.

RHA will apply site specific utility allowances after sufficient time has passed to collect energy usage at newly constructed or rehabilitated site. Until such time, RHA's HCV utility allowance will be used. A site-specific utility allowance will be applicable to non-RAD PBV units in the project and is calculated consistent with Notice H 2015 04.

8.7.3. Reasonable Rent [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by RHA. Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

8.7.3.1. How to Determine Reasonable Rent

Reasonable rent determinations will be conducted in accordance with Section 11.6 of this plan.

8.8. PAYMENTS TO OWNER**8.8.1. Housing Assistance Payments**

During the term of the HAP contract, RHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and RHA agree on a later date.

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

8.8.2. Vacancy Payments [24 CFR 983.352]

An owner may keep the HAP payable for the calendar month when the family moves out but may not keep the payment if RHA determines that the vacancy is the owner's fault. If RHA determines that the owner is responsible for a vacancy and as a result is not entitled to the keep the housing assistance payment, RHA will notify the landlord of the amount of housing assistance payment that the owner must repay. RHA will recoup any overpayment of HAP by withholding the overpayment from the next scheduled payment to the owner.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified RHA of the vacancy in accordance with the policy in this section.

In order for a vacancy payment request to be considered, it must be made within 14 calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and RHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by RHA within 14 calendar days of RHA's request, no vacancy payments will be made.

A maximum of two months of vacancy payments will be made to an owner based on a property reported vacancy.

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8.8.3. Tenant Rent to Owner [24 CFR 983.353; Notice PIH 2019-23]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by RHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in RHA's notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by RHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by RHA. The owner must immediately return any excess payment to the tenant.

8.8.4. Initial Certifications [Notice PIH 2019-23]

For newly converted public housing units, RHA will use the family's public housing tenant rent (reflected on line 10f of the family's most recent 50058) at the date of conversion to calculate HAP and tenant rent for the PBV program for the initial certification, RHA will use this amount until the effective date of the earlier of the family's first regular or interim recertification following the conversion. At that point, RHA will use the family's TTP based on the recertification and the applicable utility allowance (HCV or RAD PBV site-based, as applicable) to determine PBV HAP and tenant rent. Any non-RAD PBV units located in the same project are subject to the same requirements.

8.8.5. Tenant and RHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by RHA. Likewise, RHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. RHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. RHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

8.8.6. Phase-in of Tenant Rent Increases [Notice PIH 2019-23]

For in-place tenants, RHA will implement a three-year phase-in for in-place families whose TTP increases by more than the greater of 10 percent or \$25 purely as a result of the conversion as follows:

Year 1: Any reexamination (interim or annual) performed prior to the second annual reexamination after conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 2: Year 2 annual reexamination and any interim reexamination: 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 3: Year 3 annual reexamination and all subsequent reexaminations: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

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9. RHA OWNED OR CONTROLLED PROPERTIES WITH PROJECT BASED VOUCHERS

[24 CFR 983]

9.1. GENERAL

9.1.1. RHA's Moving to Work (MTW) Demonstration Program. As detailed in RHA's MTW Plan, with HUD approval, RHA will provide additional opportunities to meet local housing needs by providing non-Public Housing properties owned or controlled by the Authority with project-based vouchers without requiring a competitive process.

9.1.1.1. Units selected may be existing housing, new construction properties or properties needing to be rehabilitated

9.1.2. Process for assigning Project-Based Vouchers. RHA will assign project-based vouchers to non-Public Housing properties owned or controlled by the Authority using this process:

9.1.2.1. Obtain environmental reviews through the City of Reno

9.1.2.2. Receive a passed HQS inspection.

9.1.2.3. Request Board Approval to assign project-based vouchers to these units without a competitive process

9.1.3. Within 10 days of the selection being finalized, RHA staff will deliver a letter to the Executive Director regarding the selection.

9.1.4. Setting rents. RHA will set initial rents for these units based on federal regulation and program requirements based on the funding source used to purchase/construct the unit. This may include setting rents at or below current HOME rents, Low Income Housing Tax Credit rents or payment standard.

9.1.5. Statutory Provisions Apply. Each of the provisions set forth in 24 CFR 983.4 apply to assistance under the PBV program. These include but are not limited to environmental review, fair housing, fraud, labor standards, and relocation assistance.

9.1.6. Equal Opportunity. The PBV program requires compliance with all equal housing opportunity requirements.

9.1.7. Non-smoking designation. All PBV units assigned under the non-competitive designation process will be designated as non-smoking units.

9.1.8. Specific PBV Definitions.

Admission. The point when the family becomes a participant in RHA's tenant-based or project-based voucher program (initial receipt of tenant-based or project-based voucher assistance). After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from RHA, a shift to the other form of voucher assistance is not a new admission.

Existing housing. Housing units that already exist at the time of Board approval of assignment of PBVs and that substantially comply with the HQS on that date. The units must fully comply with the HQS before execution of the HAP contract.

Multifamily building. A building with five or more dwelling units (assisted or unassisted).

PHA-owned unit. Non-Public Housing units owned/controlled by the Authority.

Responsible Entity (for Environmental Review). The unit of general local government within which the property is located that exercises land use responsibility or, if HUD determines this

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infeasible, the county, or if HUD determines that infeasible, the state.

9.1.9. Applicability of Tenant Based Program. Unless otherwise specified in the MTW PBV program, the policies for the Housing Choice Voucher program will apply.

9.1.10. Ineligible Housing Types. RHA will not consider any PBV assistance for RHA owned or controlled units deemed ineligible under 24 CFR 983.53 or in subsidized housing as defined in 24 CFR 983.54.

9.1.11. Other Programs Excluded. No Assisted Living, Congregate Care, or Board and Care properties will be considered for RHA's PBV program.

9.2. MOBILITY PROGRAM

9.2.1. RHA purchased dwelling units in low poverty areas and assigned a PBV to each unit.

9.2.2. Eligible families for the Mobility Program are selected and referred by Public Housing staff. Eligible families are placed on the Mobility transfer list.

9.2.2.1. As units become available, eligible families on the Mobility transfer list are referred based on bedroom size and are placed in a lottery.

9.2.2.2. Families are randomly selected and offered the available unit.

9.2.2.3. In the event a family denies a unit, they will be placed back on the Mobility transfer list for future selection of available units.

9.2.2.4. Families are eligible for a regular voucher after one year, under certain conditions.

9.2.2.5. Families who are eligible for the Mobility Program will have additional data collected on a yearly basis. If a family refuses to provide this data, this can be grounds for termination of assistance.

9.2.2.6. All properties designated as Mobility units are non-smoking units.

9.3. PARTNERSHIP PROGRAM

9.3.1. RHA partners with local nonprofit organizations and commits PBV to select RHA owned properties. All units are designated as non-smoking.

9.3.2. Families are referred by the partnering agency and must meet RHA eligibility requirements.

9.3.3. RHA will run criminal history and sex offender screening for all applicants referred.

9.3.4. Families must comply with all requirements of the referring agencies to remain eligible to receive continued housing assistance.

9.3.5. Families are required to meet RHA's occupancy standards.

9.3.6. Families are eligible for a regular voucher after one year, under certain conditions and must have the approval of the referring agency.

9.4. OTHER RHA OWNED UNITS

9.4.1. RHA assigned PBV to properties owned by the Housing Authority under a non-competitive process to increase the number of affordable units for low income families and provide additional opportunities for current RHA participants. All units are designated as non-smoking.

9.4.2. Families are eligible for a regular voucher after one year under certain conditions.

9.5. OCCUPANCY

9.5.1. Referrals of Families Requiring Accessible Features. Applicants for RHA-owned properties waiting lists will be asked if they require accessible features and only those applicants will be

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referred to units with the required features. If there are units with accessible features available, and no families on the waiting list needing the features, the first eligible family on the waiting list will be referred to the unit.

- 9.5.2. Oral Briefing for Referral. An oral briefing must be given to any family who accepts an offer of PBV assistance. The briefing must contain the information set forth in 24 CFR 983.252.
- 9.5.3. Tenant Screening. RHA will screen applicants for RHA-owned PBV units under the same conditions as the Housing Choice Voucher applicants to ensure eligibility for the program, with the following exceptions: RHA will screen prior rental history suitability and credit.
- 9.5.4. Lease Required. The tenant must be able to enter into a lease and must execute a lease that complies with state and local law and has the HUD required tenancy addendum.
- 9.5.5. Absence from unit. Restrictions on absence from the unit will be the same as those for tenants in the Housing Choice Voucher Program.

9.6. SETTING RENTS FOR RHA OWNED PROPERTIES WITH PROJECT BASED VOUCHERS

[24 CFR 983.301 – 983.305]

- 9.6.1. Initial Rent. The initial rent is set at the beginning of the HAP contract term by RHA according to 9.1.4 of this plan.
- 9.6.2. Limitations on Rent. Except for certain tax credit units as set forth in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- 9.6.2.1. Amount determined by RHA, not to exceed the MAFMR for the unit bedroom size minus any utility allowance or
 - 9.6.2.2. The reasonable rent.
- 9.6.3. Limitations on Rents Set by Other Funding Sources. In the case of units receiving funding from other sources (e.g., LIHTC or HOME) described in 24 CFR 983.301(c) the rent must not exceed the lowest of:
- 9.6.3.1. The rent of the applicable funding source minus any utility allowance, or
 - 9.6.3.2. The reasonable rent.
- 9.6.4. Redetermination of Rent. RHA will redetermine the rent in accordance with 24 CFR 983.302 only:
- 9.6.4.1. At the annual anniversary of the HAP contract, or
 - 9.6.4.2. When there is a ten percent or greater decrease in the published Fair Market Rents, or
 - 9.6.4.3. Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
 - 9.6.4.4. When the reasonable rent has changed (as set forth in 24 CFR 983.303(b)).
- 9.6.5. Requests for Rent Increases. Requests for rent increases must be submitted in writing by the RHA staff to the Rental Assistance department at least 60 days before the annual anniversary of the HAP contract. The request must specify the unit address, HAP contract date, the current rent and utility allowance, and the proposed rent and utility allowance.
- 9.6.6. Fair Market Rent Decrease. If the Fair Market Rent decreases ten percent or more a new determination of rent must be made consistent with 8.6.2 and 8.6.3 above. If this results in a decrease in the rent under 24 CFR 983.301(b) or (c), the rent must be decreased.

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9.6.7. Rent Cannot Exceed Reasonable Rent. At no time may the rent exceed the reasonable rent. Accordingly, RHA must redetermine the reasonable rent:

9.6.7.1. When there is a ten percent or greater decrease in published Fair Market Rent.

9.6.7.2. When RHA approves a change in the allocation of responsibility for utilities.

9.6.7.3. Whenever there is any change that may substantially affect the reasonable rent.

9.6.8. Comparability Study. The determination of reasonable rent will be based on comparison rents for at least three comparable units in the private unassisted market. The study will be consistent with the requirements of 24 CFR 983.303(c). The comparable analysis must not be maintained or conducted by anyone who may have a direct or indirect interest in the property.

9.6.9. HUD Subsidy Layering Requirements. Rents must not exceed any limitation necessary to comply with HUD subsidy layering requirements.

9.7. HAP PAYMENTS FOR RHA OWNED PROPERTIES WITH PROJECT BASED VOUCHERS

9.7.1. HAP Contract Terms. Housing assistance payments will be made in accordance with the terms of the HAP contract. Payments will be made for the months during which a contract unit is leased and occupied by an eligible family.

9.7.2. Move-out Month. If an assisted family moves out of a unit, RHA may keep the housing assistance payment for the calendar month in which the family moves out if the vacancy was not RHA's fault.

9.7.3. Vacancy Payments. Vacancy payments for up to two full calendar month will be allowed from the beginning of the first calendar month after the move-out month:

9.7.3.1. The exact payment cannot exceed the monthly unit rent under the assisted lease, minus any portion of the rental payment received, including amounts available from the tenant's security deposit. Vacancy payments will be limited to the HAP paid on behalf of the family for the month prior to the termination of the lease.

9.7.3.2. The vacancy payment may cover only the period the unit remains vacant.

9.7.3.3. The payment will be made only if:

9.7.3.3.1. The Rental Assistance Department is provided with prompt written notice certifying that the family has vacated and include the date vacated;

9.7.3.3.2. The vacancy is not the fault of RHA and that the unit was vacant during the period claimed;

9.7.3.3.3. Every reasonable action has been taken to minimize the likelihood and length of vacancy; and

9.7.3.3.4. The Rental Assistance Department receives a written request and documentation regarding the vacancy.

9.7.4. Tenant Rent. The tenant rent (or portion of the rent paid by the family) will be determined by the Rental Assistance Department and this determination will be made in accordance with HUD requirements. Any changes will be effective on the date stated in a notice by the Rental Assistance Department to the family.

9.7.5. Tenant Payment to RHA. The family is responsible for paying the tenant rent (total tenant payment minus utility allowance). RHA may not charge the family any additional amount for laundry services, maintenance, equipment or utilities.

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- 9.7.5.1. RHA may not demand or accept any rent payment from the tenant in excess of the tenant rent determined by Rental Assistance Department, and must immediately return any excess payment to the tenant.
 - 9.7.5.2. RHA is not responsible for paying the tenant rent or for paying any other claim.
 - 9.7.5.3. RHA may not use housing assistance payments or other program funds to pay any part of the tenant rent or to pay any other claim.
 - 9.7.5.4. The Rental Assistance Department may not make any payment for any damage to the unit or for any other amount owed by a family under the lease or otherwise.
- 9.7.6. Other Fees and Charges. RHA may not charge the tenant or family members for meals, supportive services or items customarily included in the rent, and non-payment of such charges is not grounds for termination of tenancy.

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10.MANUFACTURED HOME SPACE RENTAL ASSISTANCE**10.1.PROGRAM PROVISIONS**

- 10.1.1. The housing authority may assist families that own a manufactured home and are renting the space under the manufactured home under this special housing type.
- 10.1.2. RHA may limit the number of families using this special housing type.
- 10.1.3. RHA will permit use of this special housing type if needed as a reasonable accommodation.
- 10.1.4. Manufactured Home Space Rent includes the monthly payment made by the family to amortize the loan for the purchase of the manufactured home and the space rent for the land the manufactured home sits on.
- 10.1.5. The payment standard used for a unit assisted under the manufactured home space rental special housing type is the same payment standard amount used for regular rental units under RHA's HCV program.
- 10.1.6. The monthly HAP for a manufactured home space rental is the lower of:
- Payment standard minus the family's total tenant payment; or
 - The rent of the manufactured home space (including other eligible housing expenses) minus the family total tenant payment.
- 10.1.7. The rent of the manufactured home space is the total of:
- 10.1.7.1. The rent charged for the manufactured home space;
 - 10.1.7.2. Owner maintenance and management charges for the space the owner must provide under the lease;
 - 10.1.7.3. Monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
 - 10.1.7.4. The applicable PHA utility allowances for tenant paid utilities.
- 10.1.8. Any increase in debt service due to refinancing after purchase of the home must not be included in the amortization cost of the monthly loan payment used to calculate the rent for purposes of the HAP calculation.
- 10.1.8.1. If the original loan debt service amount is more than the current debt service amount, the family uses the current loan debt service amount when calculating the HAP for the family.
 - 10.1.8.2. If the original loan debt service amount is less than the current debt service amount, RHA will use the original loan debt service amount when calculating the HAP for the family.
 - 10.1.8.3. RHA will use the current insurance and property tax amounts when calculating the HAP for the family.
- 10.1.9. When a family's loan payments end, the HAP will be recalculated to reflect the change in the "rent" and the change in the HAP will be effective the first of the following month the loan payments ended
- 10.1.9.1. Loan payments that end for any reason, including but not limited to the following will be subject to "rent" and HAP recalculation the first of the following month the

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loan payments ended.

10.1.9.1.1. The term of the loan repayment comes to an end and the family has repaid the loan in full.

10.1.9.1.2. The family (or another party) chooses to pay off the remaining balance on the loan and repay the loan in full before the end of the term of the monthly scheduled loan payments.

10.1.9.1.3. The family has stopped making the scheduled monthly loan payments for any reason (including the lender's deference or forbearance of the loan). If the family recommences making monthly loan payments, RHA will adjust the HAP accordingly.

10.1.10. The utility allowance for tenant-supplied utilities are the applicable utility allowances from RHA's utility allowance schedule.

10.1.11. RHA will pay the HAP on manufactured home space rent directly to the owner of the manufactured home space.

10.1.12. RHA will pay any additional HAP balance directly to the family. The family is responsible for paying the full amount of their remaining housing costs (e.g. monthly loan payment, utilities) directly to the lender and utility provider.

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11. BRIEFING SESSIONS

[24 CFR 982.301 & 982.302]

11.1. PURPOSE

The purpose of the briefing session is to advise eligible households of Voucher Program requirements and to make those households aware of rental practices in the private market.

- 11.1.1. Sessions will be conducted either in-person or remotely utilizing technology that provides opportunities for participants to ask questions of the facilitator. Those with disabilities or without access to the technology necessary to attend a remote briefing session will be accommodated with proper documentation.
- 11.1.2. Session Goal. The goal of each briefing session is to enable the household to fully understand all aspects of the program which will affect them; assist them in all possible methods which can be utilized in looking for a unit; advise them of the best approach to take with owner/manager in order to secure a lease; build communication and rapport with each household.
- 11.1.3. Spanish-speaking Sessions. Spanish sessions will be scheduled as necessary. Forms will be provided in Spanish as necessary.
- 11.1.4. Households with disabilities. Upon request of the household, the RHA will conduct briefings based on the household member's disability.
- 11.1.5. Required attendance. RHA will encourage all adult household members to attend the briefing; however, only the head of household is required. Should adult household members fail to attend, they will be required to sign a form acknowledging that they read the information provided to the head of household and agree to abide by it.
- 11.1.6. Missed Appointments and Rescheduling. Applicants who provide prior notice of inability to attend a briefing will automatically be rescheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval of RHA, may be denied admission based on failure to supply information needed for certification.

11.2. SUBJECT MATTER

A full explanation of the items described in 9.3 and 9.4 will be provided to assist households in finding suitable housing and advise households of their responsibilities and the responsibilities of the RHA and owner/manager. Adequate opportunity will be provided to ask questions and discuss the subject matter.

Each briefing session will be as thorough as necessary to allow all households issued Vouchers adequate opportunity to understand the concepts of the program and their responsibilities and obligations thereunder. Households who attend group briefings and still have the need for individual assistance will be referred to the Housing Specialist.

11.3. BRIEFING OF HOUSEHOLD

When a household is selected to participate in a voucher program, RHA must give the household an oral briefing. RHA will conduct separate briefing sessions for applicants selected for the Housing Choice Voucher program, Project Based Voucher program, HUD-VASH Voucher program, and Foster Youth to Independence voucher program. The briefing must include information on the following subjects:

- A description of how the program works including the term of the voucher
- Household and owner responsibilities
- Information on selecting a unit
- A list of landlords accepting vouchers as well as other resources

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- Where the household may lease a unit, including renting a dwelling unit inside or outside RHA's jurisdiction of Washoe County.
- Portability procedures for HCV households (see portability in Chapter 14) including an explanation of how portability works. RHA may not discourage the household from choosing to live anywhere in RHA's jurisdiction, or outside that jurisdiction under portability procedures.
- The advantages of moving to an area that does not have a high concentration of poor households.
- In briefing a household that includes any disabled person, RHA must take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6.

RHA will reconfirm the household's composition and critical information about income and allowances. If significant changes have occurred, the file will be returned to the Admissions office to verify all changes and be re-certified.

11.4. INFORMATION PACKET

When a household is selected to participate in the program, RHA will give the household a packet that includes documents and information that comply with all HUD requirements. RHA also includes other information and/or materials which are not required by HUD. This information is on the following subjects:

- The term of the Voucher, and RHA policy on any extensions and suspensions of the term
- Where the household may lease a unit and information on and an explanation of how portability works
- Household obligations under the program, including the grounds on which RHA may terminate assistance for a participant household because of household action or failure to act
- The HUD-required Tenancy Addendum
- How RHA determines the housing assistance payment for a household and the maximum rent for an assisted unit, information on the payment standard, and the utility allowance schedule
- "A Good Place to Live" brochure on how to select a unit: what the household should consider in deciding whether to lease a unit (the condition of the unit, whether the rent is reasonable, the cost of any tenant-paid utilities and whether the unit is energy-efficient) and the location of the unit (proximity to public transportation, centers of employment, schools and shopping)
- "Protect Your Family from Lead in Your Home" brochure on lead-based paint
- Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. RHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, as well as the phone numbers of the local fair housing agency and the HUD enforcement office
- A list of owners/managers or other parties known to RHA who may be willing to lease a unit to the household, or help the household find a unit
- The Request for Tenancy Approval form
- A statement of the policy on providing information about a household to prospective owners
- RHA subsidy standards, including when RHA will consider granting exceptions to the standards, how the voucher size relates to the unit size selected, and rent reasonableness
- Notice that if the household includes a disabled person, the household may request a current listing of accessible units known to RHA that may be available

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- Informal hearing procedures which describe when RHA is required to give a participant household the opportunity for an informal hearing, and how to request a hearing
- Violence Against Women Act (VAWA) HUD Notice of Occupancy Rights (HUD-5380) and accompanying certification form (HUD-5382).

11.5. VOUCHER ISSUANCE RECORDS

11.5.1. RHA will maintain a system to ensure that it will be able to honor all outstanding Vouchers within its Annual Contributions Contract authorization and that it will comply, to the maximum extent feasible, with the unit distribution in the said Contract.

11.6. RHA'S POLICY ON RELEASE OF TENANT INFORMATION

In accordance with 24 CFR 982.307(b)(1)(2)(3), RHA is required to provide prospective owners/managers with the address of a voucher applicant and the names and addresses of the current and previous owners/managers, if known, when requested. RHA will inform owners/managers that it is their responsibility to determine the suitability of prospective tenants. Owners/managers will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the household's suitability as a tenant. Upon request, RHA will provide documented information regarding tenancy history for the past five years to prospective owners/managers. RHA may provide oral or written tenant/household information for the last five years, based on documentation in its possession, of the information above and the list below:

- Balance of money owed
- Termination for violation of family obligations and reasons for the termination
- Damages caused to a unit
- Involvement with fraud, bribery, or other corrupt or criminal acts
- Serious or repeated violation(s) of the signed lease agreement
- Drug trafficking by household members

RHA will limit the release of information to the above items.

RHA will make an exception to this requirement if the household's whereabouts must be protected due to domestic abuse or witness protection. This policy on providing information to owners/managers is included in the voucher programs briefing packets and will apply uniformly to all tenants/households and owners/managers.

If an assisted household moves out of a unit owing money to a previous landlord, RHA will release the household's current address, if known, to the previous landlord.

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12.INSPECTIONS AND RENT REASONABLENESS

[24 CFR 982.401]

12.1.INSPECTION REQUIREMENTS

It is the responsibility of RHA to ensure all units on the voucher program meet Housing Quality Standards (HQS) following HUD's approved inspection protocols, including National Standards for the Physical Inspection of Real Estate (NSPIRE).

- 12.1.1. In order to ensure compliance with this regulatory requirement, RHA staff will perform an initial inspection prior to execution of the lease and contract, a biennial inspection during continued occupancy, special inspections as requested by tenants or owner/managers, and quality control inspections to ensure that inspections are being conducted in accordance with HUD and RHA guidelines. These inspections will be conducted on all units assisted with a voucher.

12.2.INITIAL INSPECTIONS

Upon receipt of a completed and signed Request for Tenancy Approval (RFTA), staff will contact the owner/manager of the unit to schedule an inspection. For RHA protection, the owner/manager will sign the initial inspection form.

- 12.2.1. Staff will perform the inspection using either HUD Form 52580, Inspection Form, filling out the form completely OR a mobile inspection device which interfaces with HUD Form 52580.
- 12.2.2. If the unit fails the inspection, the owner/manager will be notified in writing of the deficiencies and what repairs must be made to meet Housing Quality Standards. Repairs shall be made within 14 days.
- 12.2.2.1. If the owner/manager agrees to perform the required repairs, a re-inspection will be scheduled after repairs are made to determine if the unit now meets HQS.
- 12.2.2.2. If the owner/manager refuses to perform the required repairs, it shall be noted on the inspection form and the tenant will be notified of their need to locate another unit.
- 12.2.3. If RHA conducts an initial inspection and the tenant never moves in, the inspection results may be used for a subsequent RFTA submitted within 45 days, provided no one has occupied the unit in the interim.

12.3.BIENNIAL INSPECTIONS

RHA will conduct the HQS inspection biennially during assisted occupancy for all households, with biennially defined as within two years from the date of the last passed inspection. If the RHA is unable to gain access to the unit on or before this date due to delays caused by the household, the file will be recommended for termination.

- 12.3.1. Households and landlords will be notified in writing that the biennial HQS inspection is due within the upcoming 14 days. Included in the notice will be the scheduled date for the inspection.
- 12.3.1.1. If the household is claiming an illness and requests to reschedule the inspection or refuses entry at the time of inspection, RHA will automatically reschedule the inspection approximately two (2) weeks later.
- 12.3.1.1.1. If the household continues to claim illness and requests further rescheduling of the inspection, RHA may require a doctor's note or other similar documentation.
- 12.3.1.1.2. If the household fails to provide the requested documentation, the file may be recommended for termination.

- 12.3.2. Staff will perform the inspection using either HUD Form 52580, Inspection Form, filling out the

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form completely OR a mobile inspection device which interfaces with HUD Form 52580.

- 12.3.3. If the unit fails the inspection, both the tenant and the owner/manager will be notified in writing of the deficiencies and what repairs must be made to meet HQS. Repairs shall be made within 30 days unless the failed item is deemed life-threatening.
- 12.3.3.1. If there are life-threatening deficiencies which present an immediate danger to the health and safety of the household, both the tenant and the owner/manager will be notified in writing and all other methods available to RHA that the deficiency must be corrected within 24 hours.
- 12.3.3.2. The items that are considered life-threatening deficiencies can be found in Appendix 6.
- 12.3.3.3. The inspector will indicate for each failed item if it is the responsibility of the tenant or the owner/manager to complete the repairs. This is not an indication of which party caused the item to fail, and does not prevent an owner/manager from charging the tenant for the repairs (if that is something permitted in their lease agreement).
- 12.3.3.4. In the case of failed items related to the presence of bed bugs, the owner/manager will be required to show proof that treatment has been provided in order to resolve the failed item. As long as treatment is being provided, continued presence of bed bugs will not necessarily constitute a fail.
- 12.3.3.4.1. If the owner can show they have been attempting to provide treatment for bed bugs and the tenant has not been in compliance, this will be considered a tenant-responsible item and the file may be recommended for termination.
- 12.3.4. RHA staff will schedule a re-inspection of the unit within no more than 30 days from the initial fail date to determine if the deficiencies have been corrected.
- 12.3.4.1. In lieu of scheduling a reinspection, RHA may provide the participant and/or the owner/manager with a Self-Certification form to be completed for non-life-threatening items. This form must be returned to RHA to consider the deficiencies corrected.
- 12.3.5. If the owner/manager does not take the required corrective action within the specified time period, RHA will abate the Housing Assistance Payment beginning 30 days after the first failed inspection and continuing until the unit passes inspection or the contract is canceled.
- 12.3.5.1. For 24-hour life-threatening items, if the owner/manager does not take the required corrective action within the specified time period, RHA will abate the Housing Assistance Payment beginning the day of the first failed inspection and continuing until the unit passes inspection or the contract is canceled.
- 12.3.6. RHA will re-inspect the unit within five days of the owner/manager's contact with RHA to report the correction of the deficiencies, or if the landlord fails to contact the RHA, no later than 30 days from the date of the second failed inspection. The abatement will end the day of the owner/manager's call if the unit then meets HQS. No retroactive payments will be made for the period the unit was in abatement. The tenant will not be held responsible for the amount of the abatement.
- 12.3.7. If more than two inspections are required, the RHA may charge a \$75 inspection fee on each additional inspection as approved in the FY2016 MTW Annual Plan if the remaining items are the responsibility of the owner/manager. The tenant will not be held responsible for these fees.
- 12.3.8. If the owner/manager still fails to take the required corrective action within 30 days after the

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beginning of abatement of the Housing Assistance Payment, RHA may terminate the contract in accordance with the Housing Assistance Payment Contract. While the termination notice is running, the abatement will remain in effect.

- 12.3.9. If the HAP Contract is terminated as the result of the owner/manager failing to correct Housing Quality Standards deficiencies, the household will be notified in writing that they must move and will be issued a Voucher.
- 12.3.10. If the tenant fails to correct the tenant responsible deficiencies within 30 days from the initial inspection, RHA will initiate termination of housing assistance for HQS breach.
- 12.3.11. Owners and households may be given extensions to cure HQS breaches. The inspector may give an extension of up to 30 days. Any extension of more than 30 days must be approved by the Director of Rental Assistance or designated staff.

12.4.SPECIAL INSPECTIONS

There may be circumstances other than the initial and biennial inspections which require RHA staff to determine a unit's compliance with Housing Quality Standards as follows:

- 12.4.1. Complaints from participating households, owner/managers or other sources, i.e., Health Department, Building Inspector or HUD regarding the unit's condition or lack of maintenance and services by the responsible parties. If the unit fails the inspection, paragraphs 10.3.2 through 10.3.10 will apply.
- 12.4.2. Owner/manager requests to determine if a unit qualifies for potential participation. Such preliminary inspections may not be considered as substitutions for required initial inspections that may result from receipt of an RFTA.
- 12.4.3. RHA staff may inspect a unit for reasons other than determining compliance with Housing Quality Standards, i.e., verifying reports of abandoned units or occupants not on the lease agreement.
- 12.4.4. For complaints of serious deficiencies which present an immediate danger to the health and safety of the household, e.g., exhaust fumes from the heating system, propane, natural gas or methane gas smell, missing or inoperable smoke detector, missing electrical panel cover and/or exposed wires, disconnected hot water tank, disconnected HVAC or lack of heat in winter, the owner/manager will be notified in writing that the deficiency must be corrected within 24 hours.
 - 12.4.4.1. If the owner/manager does not take the required corrective action within the 24 hour time period, RHA will abate the Housing Assistance Payment beginning 24 hours from the date of the initial inspection until the deficiency has been corrected.

12.5.QUALITY CONTROL INSPECTIONS

HUD requires reinspection of a percentage of approved units. These re-inspections will enable RHA to provide assurances that only those units that meet Housing Quality Standards are approved; to catch inadvertent errors by inspectors; to provide general and specific information concerning the level of competence and consistency of the inspection staff; to encourage higher performance by inspectors.

- 12.5.1. Appropriate and assigned staff will randomly select a representative sample of the units for reinspection. These units to be re-inspected will include initial, annual and special inspections.
- 12.5.2. Tenants and owner/managers will be notified in writing that their unit has been selected for a Quality Control reinspection.
- 12.5.3. Staff will perform the inspection using HUD Form 52580, filling out the form completely.
- 12.5.4. If the unit fails the inspection, paragraphs 10.3.2 through 10.3.10 will apply.

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- 12.5.5. If the unit fails the inspection and it appears the unit failed at the time of the initial, annual or special inspection, a report will be completed to include information on inspector's name, nature of the deficiency, corrective action required and follow up.
- 12.5.6. Quality Control Inspections will be maintained in a separate inspection file and utilized for audits, training and monitoring effectiveness of the inspection process.

12.6. RENT REASONABLENESS TEST

- 12.6.1. For units owned by RHA, in accordance with HUD regulations RHA staff will utilize AffordableHousing.com to perform the rent reasonableness determinations.
- 12.6.2. For all other units, RHA has contracted with AffordableHousing.com to certify and document on a case-by-case basis that the rent to owner for each unit for which a lease has been approved is reasonable in relation to and does not exceed rents currently being charged for comparable units in the private unassisted market.
- 12.6.3. RHA may choose to waive the requirement for a rent reasonableness determination if the new requested rent amount is less than the current payment standard.
- 12.6.4. For shared housing dwelling units, in accordance with HUD regulations, the rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit.
- 12.6.5. Three comparable rents will be obtained for each contract executed and documents kept in the participant's folder. The average of these three rents will be used as the approved contract rent. AffordableHousing.com will document the following and RHA staff will review and approve the following:
- Number of bedrooms and bathrooms
 - Square footage of unit
 - Approximate date built
 - Type of unit such as single family, duplex, garden apartment, high-rise, townhouse
 - Type and condition of exterior walls
 - Utilities which are/are not included in rent
 - Extent to which unit meets Housing Quality Standards
 - Extent to which management and maintenance services are included in rent
 - Amenities such as dishwasher, air conditioning, extra bath, energy efficient, extra room, swamp cooler, washer/dryer, hookups only, cable television, or furnished facilities such as covered parking, fenced yard, recreation facilities
- 12.6.6. If requested, the owner/manager must give RHA information on rents charged by the owner/manager for other units in the same complex or elsewhere. By accepting the Authority's monthly Housing Assistance Payment, an owner/manager certifies that rent for a voucher unit does not exceed the rent charged by the owner/manager for comparable unassisted units in the same complex.
- 12.6.7. Owner/manager rents may also be limited when the unit is subject to rent control under local law; rent restrictions under the rules for the HUD HOME program; for project-based certificate units to ensure that an owner does not receive excessive subsidy; and at the discretion of RHA because of other governmental subsidies in addition to voucher assistance.

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13.LEASE APPROVAL AND HAP CONTRACT EXECUTION

[24 CFR 982.302, 305, 306, 307 & 308; 982.353]

13.1.DOCUMENT REVIEW

- 13.1.1. The household will be required to turn in the Request for Tenancy Approval (RFTA) prior to the expiration of the Voucher. An owner/manager lease must be in the standard form used in the locality. The lease must be for an initial term of at least one year and contain terms that are consistent with state and local laws and must include the HUD-required Tenancy Addendum.
- 13.1.2. Lease Preparation. When the lease is submitted, it must specify:
- The names of the owner and tenant;
 - The address of the unit rented (including apartment number, if any);
 - The amount of the monthly rent to owner;
 - The initial term of at least one year and subsequent terms (e.g. month to month);
 - The utilities and appliances to be supplied by the owner;
 - And the utilities and appliances to be supplied by the household.
- 13.1.3. RHA may not approve a unit for lease if the owner is the parent, child, grandparent, grandchild, sister or brother of the Voucher holder who is seeking to rent the unit.
- 13.1.4. If a Voucher holder who is disabled requests to lease from a family member and can provide documentation that leasing his/her unit is essential to the disability, RHA may determine the leasing to be a reasonable accommodation. The unit must meet HQS and the rent reasonable test.
- 13.1.4.1. This policy applies to new admissions and to moves with continued assistance.
- 13.1.5. House Rules of the owner may be attached to the lease as an addendum, provided they are approved by RHA to ensure they do not violate any fair housing provisions and do not conflict with the tenancy addendum.
- 13.1.6. The owner/manager must prepare the lease for execution.
- 13.1.7. RHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.
- 13.1.7.1. The household and owner must submit a standard form of lease used in the locality by the owner and that is generally used for other unassisted tenants in the premises. The terms and conditions of the lease must be consistent with state and local law.
- 13.1.7.2. The HUD prescribed tenancy addendum must be included in the lease word-for-word.

13.2.SEPARATE AGREEMENTS

Owner/managers and tenants may execute agreements for services, appliances (other than for range and refrigerator) and other items outside those which are provided under the lease if the agreement is in writing and approved by the Authority.

- 13.2.1. Any appliance, service or other items which is routinely provided to non-subsidized tenants as part of the lease (such as air conditioning, dishwasher or garage) or is permanently installed in the unit cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the tenant must have the option of not utilizing the service, appliance or other

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item.

- 13.2.2. RHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.
- 13.2.3. If the tenant and owner/manager have come to an agreement on the amount of charges for a specific item, so long as those charges are reasonable and not a substitute for a higher rent, they will be allowed. Costs for seasonal items can be spread out over 12 months.
- 13.2.4. RHA will not approve separate agreements for modifications to the unit for persons with disabilities. The modifications are usually within the dwelling and are critical to the use of the dwelling.
- 13.2.5. Copies of all separate agreements must be provided to RHA.

13.3.DISAPPROVAL OF OWNER

[24 CFR 982.306]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party. RHA will disapprove the owner for the following reasons:

- HUD has informed RHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed RHA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed RHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements.
- Owner may not be a parent, child, grandparent, grandchild, sister or brother of any household member. RHA may waive this restriction as a reasonable accommodation for a household member who is a person with a disability. In cases where the owner and the tenant bear the same last name, RHA may, at its discretion, require the household and/or owner to certify whether they are related to each other in any way.
- The owner has violated obligations under a Housing Assistance Payments contract.
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- The owner has engaged in drug-related criminal activity or any violent criminal activity.
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under the voucher programs or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of RHA, or of owner employees or other persons engaged in management of the housing.
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by

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- persons residing in the immediate vicinity of the premises; or
- Is drug-related criminal activity or violent criminal activity;
 - The owner has not paid State or local real estate taxes, fines or assessments.
 - The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
- 13.3.1. Owner Restrictions and Penalties [24 CFR 982.453]. If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, RHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. RHA may also terminate some or all contracts with the owner. Before imposing any penalty against an owner RHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

13.4.TENANCY APPROVAL/DISAPPROVAL

After RHA has reviewed the Request for Tenancy Approval (RFTA), certified and documented rent reasonableness, conducted an inspection and passed the unit, RHA will approve the tenancy. If RHA determines that the tenancy cannot be approved for any reason, the owner/manager and the family will be notified, and the reasons provided.

- 13.4.1. If the unit fails inspection, RHA will provide the owner/manager with a detailed list of items that must be corrected and provide the owner/manager a reasonable period of time to make the repairs (see Chapter 10).
- 13.4.2. RHA will not permit the household to submit more than one RFTA at a time.
- 13.4.3. The RFTA must be signed by both the owner and voucher holder.
- 13.4.4. RHA will review RFTA documents to determine whether or not they are approvable. The request will be approved if:
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan);
 - The rent is reasonable;
 - The security deposit is approvable in accordance with any limitations in this plan;
 - The proposed lease complies with HUD and RHA requirements;
 - The owner is approvable, and there are no conflicts of interest.
- 13.4.4.1. In addition to the above, at the time a household initially receives assistance in a new unit (new admissions and moves), if the gross rent for the unit exceeds the applicable payment standard for the household, the household share of rent may not exceed 40 percent of the household monthly adjusted income (See 'Rent to Owner, Rent Reasonableness and Payment Standards' sections of this Administrative Plan).
- 13.4.5. If RHA determines that the request cannot be approved for any reason, the landlord and the household will be notified verbally or in writing. RHA will instruct the owner and household of the steps that are necessary to approve the request.
- 13.4.6. When, for any reason, a RFTA is not approved, RHA will furnish another RFTA form to the household along with the notice of disapproval so that the household can continue to search for eligible housing.

13.5.HAP CONTRACT EXECUTION

RHA prepares the Housing Assistance Contract for execution.

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- 13.5.1. Prior to HAP Contract execution and after receipt of a Request for Tenancy Approval, RHA will provide to prospective owners/managers the information noted in Section 8, Release of Tenant/Household Information if requested.
- 13.5.2. If the tenancy is approved, RHA will prepare the HAP Contract and the tenancy addendum. To prepare the documents, RHA will compute the Total Tenant Payment (TTP), tenant rent, utility reimbursement (if any), and the Housing Assistance Payment (HAP).
- 13.5.3. Security Deposit. In the voucher program, the security deposit will be set by the owner/manager at an amount which does not exceed the security deposits charged in the private market and/or in excess of the security deposits for the owner's unassisted units.
- 13.5.4. Owner/managers must provide current address and phone number of the management agent if the property is managed by a management agent. The owner/manager must also complete and submit an IRS form W-9 with his/her tax ID number or social security number prior to the execution of the HAP Contract.
- 13.5.5. Once the documents are prepared, RHA will get the documents executed by the family, owner/manager and RHA, as appropriate, and send copies to each party. The owner/manager and Director of Rental Assistance or designee will execute the HAP Contract and tenancy addendum within 60 days. No payments will be made until the contract is executed.
- 13.5.6. RHA may offer a "signature briefing," especially where new owner/managers are involved, to be attended by the owner/manager and tenant, where responsibilities of both parties will be discussed prior to signing of the contract.

13.6.MAKING PAYMENTS TO OWNERS

- 13.6.1. Once the HAP contract is executed, RHA begins processing payments to the landlord. An RHA Register will be used as a basis for monitoring the accuracy and timeliness of payments. Checks are disbursed by the Administration Department to the owner each month.
 - 13.6.1.1. Checks may not be picked up by the owner at RHA without permission from the Director of Administration or designated staff.
 - 13.6.1.2. Checks will only be disbursed on the first business day of the month. Exceptions may be made with the approval of the Executive Director in cases of hardship.
 - 13.6.1.3. Checks that are not received will not be replaced until a written request has been received from the payee and a stop payment has been placed on the check.
- 13.6.2. Excess Payments. The total of rent paid by the tenant plus RHA housing assistance payment to the owner may not be more than the rent to the owner. The owner must immediately return any excess payment to RHA. Owners who do not return excess payments will be subject to penalties.
- 13.6.3. Late Payments to Owners. RHA will pay up to 5% of the contract rent as late fee to the owner for Housing Assistance Payments that are not mailed to the owner by the fifth business day of the month, if requested by owner.
 - 13.6.3.1. RHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond RHA's control, such as a delay in the receipt of program funds from HUD. RHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty. RHA will not use any program funds for the payment of late fee penalties to the owner.

13.7.TRANSFERS OF CONTRACTS

- 13.7.1. Voucher Program. When an owner/manager transfers the Contract to a new owner/manager, in accordance with the Housing Assistance Payment Contract; and when an owner changes property

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management agents, they must give RHA at least 30 day notice in writing before the effective date of the change. Failure to give proper notice may result in inappropriate 1099s and/or delays in providing payment to the proper party.

- 13.7.2. In the case of failure to provide proper notice to the RHA of a change in ownership/management resulting in improper payments, the party who received the payment will be responsible for turning over funds to the new owner/manager.

13.8.CHANGE IN OWNERSHIP

- 13.8.1. A change in ownership does not require execution of a new contract and lease.
- 13.8.2. RHA may approve the assignment of the HAP Contract at the old owner's request. RHA may approve the assignment, since they are a party to the contract. RHA may deny approval of assignment of the contract, for any of the reasons listed in Section 11.3 of this Chapter.
- 13.8.3. RHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed, and the employee identification number or social security number of the new owner.

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14.RENT TO OWNER ADJUSTMENTS -- ANNUAL AND SPECIAL

[24 CFR 982.451]

14.1.VOUCHER TENANCY PROGRAM

Owners may not request rent to owner adjustments in the Voucher program to be effective prior to the expiration of the first year of the lease nor more than once in a 12-month period thereafter. The owner must notify RHA at least 60 days prior to the effective date of the anticipated increase. RHA will conduct a rent reasonable comparison if needed and approve or disapprove the new rent accordingly. The owner and the client will be notified of the decision. If the rent is not reasonable, the owner may accept the recommended rent, or not renew the lease, or terminate the tenancy for "other good cause." If the owner terminates the tenancy, RHA will begin the transfer process in accordance with Chapter 14.

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15. RE-EXAMINATION OF TENANT ELIGIBILITY & REDETERMINATION OF HOUSEHOLD INCOME, ASSETS & ALLOWANCES

[24 CFR 982.516 and 5.216]

This chapter defines RHA's policy for conducting annual reexaminations. It also explains the interim reporting requirements for families, and the standards for timely reporting. To determine the amount of income-based rent, it is necessary for RHA to perform a reexamination of the household's income. Between regular annual reexaminations, HUD requires that families report all changes in household composition, but RHA decides what other changes must be reported and the procedures for reporting them.

Elderly/ disabled households whose sole income is comprised of income that only changes with cost-of-living increases will be allowed to participate in triennial re-certifications. Near-Elderly households do not qualify to participate in triennial re-certifications. These households, with stable income sources that include and are limited to Social Security benefits, Supplemental Security Income (SSI), Social Security Disability (SSD), and pensions, will have their income recertified once every third year, rather than annually.

When a household reports changes, completes annual recertification documents, or submits any other required information to the RHA, an electronic submission and/or a signature on a paper document constitutes certification of the accuracy of the information provided.

15.1. ANNUAL RE-EXAMINATIONS

Participants in voucher programs will have their household income recertified annually or triennially. This recertification will include a re-examination of continued eligibility, household composition and a redetermination of household income, assets and allowances.

- 15.1.1. Annual Recertification of Eligibility. Concurrent with the redetermination of household income, RHA will determine if the household is eligible for continued assistance (see Section 2.2). The income limits do not apply as criteria for continued eligibility at the time of annual recertification. However, based on household income, if the amount payable by the household equals the gross rent for the unit occupied, the contract may be continued for 365 days with zero Housing Assistance Payments and then will be terminated unless, at any time during the 365-day zero HAP period, the household reports a change in circumstances whereby a Housing Assistance Payment would be paid prior to the expiration of the 365-day period. Households may self-certify income during the 365-day zero HAP period.
 - 15.1.1.1. During the 365-day period in which the amount payable by the household equals the gross rent for the unit occupied (zero HAP period), the RHA will set aside 15% of the contract rent for the occupied unit in an escrow savings account each month. The total of the escrow savings account will be made payable to the household at the conclusion of 365 consecutive days of receiving zero assistance from the RHA and when the household transitions off of the Voucher program.
 - 15.1.1.2. The escrow accrual will begin the first month that the family reaches zero HAP and will accumulate monthly for no more than 12 months.
 - 15.1.1.3. If at any time during the 365-day zero HAP period, the RHA resumes providing HAP to the household, the full amount accrued in the escrow savings account will be forfeited and the escrow accrual starts over from zero if/when the household reaches zero HAP again.
 - 15.1.1.4. If the family chooses to move off of the program at any time during the 365-day zero HAP period, RHA will allow them to move off of the program with the amount accumulated in the escrow savings account as of the date of the move off notice.

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- 15.1.1.5. Escrow accrual during the 365-day zero HAP period is subject to funding availability and payouts will be limited to one per lifetime for all adults within the household at the time the escrow accrual is paid to the family. Households receiving a payout will be subject to a 3-year wait period before being eligible to reapply for housing assistance through the RHA.
- 15.1.1.6. Participants of the FSS program will be eligible for only one escrow final disbursement of funds consisting of only funds accrued during participation in the FSS program.
- 15.1.2. Annual Redetermination of Household Income. Three months prior to the end of the tenant's first year of participation, and each year thereafter, staff will redetermine household income, assets and allowances.
- 15.1.2.1. All such households will receive written notification of their required annual redetermination. This notice will include:
- The date and time of the interview except in cases where the redetermination is being conducted by mail or electronically.
 - The documents that must be brought with them to the interview or provided within the required time frame
- 15.1.2.2. The re-examination interview will be thorough and review each item of information applicable to the household including, but not limited to, household composition, income and asset information, qualification for standard medical deduction and child care expenses. Staff will give the tenant household an estimate of the tenant rent, subject to verification, and the effective date. Upon verification of all applicable information (see Chapter 4), the Total Tenant Payment, tenant rent and HAP are computed. RHA will notify the tenant in a Notice of Rent Change no later than 30 days before the effective date. A copy will be mailed to the owner/manager.
- 15.1.2.3. Failure to complete recertification.
- 15.1.2.3.1. When a household misses one appointment, the appointment will be rescheduled and notice sent to the tenant. The notice will state that failure to appear for the second appointment will result in termination of rental assistance. When a household misses the second appointment, a letter will be sent to the tenant, with a copy to the owner/manager, stating that assistance will be terminated in 30 days.
- 15.1.2.3.2. If a household fails to complete the electronic or mail certification within 30 days of the first notification, a second notice will be sent to the household reminding them to complete the recertification process. The notice will state that failure to complete the recertification process within the next 30 days will result in the termination of housing assistance.
- 15.1.2.4. Persons with disabilities or who lack the technology required to complete their electronic recertification may request an alternative means of recertification.
- 15.1.2.5. When households move to another dwelling unit between examinations, the anniversary date for the recertification will not be changed.

15.2. TRIENNIAL RE-EXAMINATIONS

- 15.2.1. Elderly/disabled households with stable income sources that are limited to Social Security

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benefits, Supplemental Security Income (SSI), Social Security Disability (SSD), and pensions, will have their income recertified every third year, rather than annually. An annual recertification may be requested within 14 days of notification that an annual recertification is not required.

- 15.2.2. Triennial recertifications will be conducted through the mail or electronically. Upon receipt of the recertification documentation, RHA staff will review each item of information applicable to the household including, but not limited to, household composition, income and asset information, eligibility for standard medical deduction and childcare expenses. Staff will send the household an estimate of the tenant rent, subject to verification, and the effective date.

15.3. INTERIM RE-EXAMINATIONS

All participants are required to report any increase or decrease in assets or income, or any change in household composition or circumstances within 30 calendar days of the change and are advised of this at the time of their initial briefing session and again at their annual re-examination. When a household reports a change, the head or co-head will complete a form and indicate on the form what has changed. The Housing Specialist may choose to interview the household in person or by telephone to obtain all the information required to process a change.

Notices of rent changes must be sent to the household and owner/manager. Increases in the client's portion of rent require at least a 30-day notice. If the household fails to report timely, a 30-day rent increase notice will be given; however, the household will be charged for the overpaid assistance retroactively to the month the change would have occurred if reported timely, except in instances where a delay in RHA processing has caused an undue accumulation of debt. Rent decreases do not require 30 days' notice.

15.3.1. Decreases in income.

When a household reports a change in writing within the 30 calendar days after the date of the change that would result in a rent decrease, RHA will make the appropriate change to be effective the first day of the month following the date of the change. Verification of the decrease will be requested.

- 15.3.1.1. The written report must be received by the RHA within 30 calendar days of the reported change.
- 15.3.1.2. When a household does not report the change within 30 calendar days of the change, the rent decrease will be effective the first day of the month following the date the household reported the change.
- 15.3.1.3. Because rent is based on annual income, the decrease must be of at least 30 calendar days duration to substantially alter the annual income and process the decrease.
- 15.3.1.4. A resident's monthly contribution to rent will not be decreased where a decrease in income is the result of non-compliance with the conditions of housing assistance, or where housing assistance is decreased due to fraud.
- 15.3.1.5. For new participants and current clients who are moving in or transferring, rent decreases will be effective the first of the month following lease-up, if reported timely.

15.3.2. Increases in Income.

When the household's monthly income increases from an additional or different source of income, a rent increase will be processed to be effective the first day of the second month following the month in which the change occurred, or after 30 days, whichever is later.

- 15.3.2.1. Increases in the same source of income will not be processed until the next annual re-examination.

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15.3.2.1.1. Same source income is defined as:

- Annual increases in Social Security, pensions and similar periodic payments.
- Employment that is part-time to part time or full-time to full-time, regardless of employer.

15.3.2.1.2. Same source income does not include:

- Changes in Social Security type, for example a change from SSI to SSD, will not be termed same source.
- Changes in method of payment for employment will not be considered same source, for example; changing from a commissioned employee to an hourly wage earner or part-time to full-time status change with the same employer will not be considered same source.

15.3.2.1.3. Part-time and full-time employment will be defined by the employer.

15.3.2.1.4. If the employer verification does not specify part-time or full-time employment, the RHA will use the following guidelines.

- Part-time employment is defined as less than 40 hours per week.
- Full-time employment is defined as 40 hours or more per week.

15.3.3. Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615].

15.3.3.1. RHA will not reduce the household share of rent for households whose welfare assistance is reduced due to a “specified welfare benefit reduction,” which is a reduction in benefits by the welfare agency specifically because of fraud in connection with the welfare program, or noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program. However, RHA will reduce the rent if the welfare assistance reduction is a result of a situation where the household has complied with welfare program requirements but cannot or has not obtained employment.

15.3.4. Interim changes may also be initiated by RHA if circumstances warrant such actions. Examples include but are not limited to; addition or removal of a household member, tenant failure to report accurate or complete information, temporary unemployment, unstable or sporadic income.

15.4. CERTIFICATION OF ACCURACY

15.4.1. When a household reports changes, completes annual recertification documents, or submits any other required information to the RHA, an electronic submission and/or a signature on a paper document constitutes certification of the accuracy of the information provided.

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16.REMOVAL AND ADDITION OF HOUSEHOLD MEMBERS**16.1.REMOVAL OF HOUSEHOLD MEMBERS**

16.1.1. In the case of removal of the Head of Household, Co-Head or Spouse:

16.1.1.1. RHA requires a notarized statement from the individual requesting to be removed or the individual may meet with RHA staff with their current photo identification and make a written statement removing themselves from the assistance.

16.1.2. In the case of removal of an adult household member other than the Head of Household, Co-Head or spouse:

16.1.2.1. The Head of Household can make a written request for the member to be removed from the assistance by providing RHA with a self-certification that they are no longer residing in the assisted unit.

16.1.3. In the case of removal of a minor child from the household:

16.1.3.1. The Head of Household can make a written request for a minor child to be removed from the household by providing RHA with a self-certification that they are no longer residing in the assisted unit.

16.2.RETENTION OF VOUCHER WITH REMOVAL OF MEMBERS

16.2.1. To be considered the remaining member of the tenant household, the person must have been previously approved by RHA to be living in the unit. A reduction in household size may require a reduction in the voucher subsidy size.

16.2.1.1. A live-in attendant, by definition, is not a member of the household and will not be considered a remaining member of the household.

16.2.1.2. In order for a minor child to continue to receive assistance as a remaining household member, the court has to have awarded emancipated minor status to the minor.

16.2.2. When a household breaks up RHA may determine, on a case-by-case basis, what household members will retain the housing assistance.

16.2.2.1. The voucher will not be bifurcated.

16.2.2.2. In cases where minor children are part of the assisted household, the parent or guardian who has custody of the children may retain the housing assistance.

16.2.2.3. Household members who are forced to leave a subsidized unit as a result of actual or threatened physical violence by a spouse or other household member may retain the assistance.

16.2.2.3.1. In the case that an adult household member is claiming VAWA protections against another adult household member, RHA will allow five days from the initial request of removal for the household member to contest the claim by providing an acceptable certification and/or supporting documentation. Upon receipt of both claims, RHA will review the documentation and make a determination based on additional policies stated in this plan as to the household member that will retain the assistance.

16.2.2.4. In households classified as elderly, handicapped or disabled, the elderly, handicapped or disabled person may retain the assistance as long as they are a responsible party to the lease and over age 18.

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16.2.2.4.1. In households that have individuals who meet the same above conditions, the adult with seniority in the household will retain the voucher.

16.2.2.5. When a court determines the disposition of property between members of the assisted household in a divorce or separation under a settlement or judicial decree, RHA is bound by the court determination of which household members continue to receive assistance in the program.

16.2.2.6. In cases where the household cannot determine who should retain the assistance, the decision will not be made by RHA except as outlined above.

16.3.ADDITION OF APPROVED HOUSEHOLD MEMBERS

All individuals must be approved by RHA prior to moving into an assisted unit. The individuals must meet all program eligibility requirements and supply all required documents before the RHA can approve the addition of a household member. The RHA will not conduct a re-examination to add a household member until all needed documentation and verifications are received. No one will be added to the assisted household until documentation of citizenship and a Social Security number is received.

16.3.1. Approval to add adult household members.

16.3.1.1. For an individual over the age of six claiming to be eligible to receive assistance, the applicant household member must be in compliance with 4.2.2.1.

16.3.1.2. The household must state whether they are requesting the individual to be added as the co-head or other adult.

16.3.1.3. The household must provide documentation that the adult has a different residence.

16.3.2. Approval to add minor household members.

16.3.2.1. For an individual under the age of six claiming to be eligible to receive assistance, the household must disclose any social security number issued and has 90 days to provide the verification. If no social security number has been issued, the household has 90 days to disclose a social security number and provide documentation. A 90-day extension can be granted, if the household provides documentation that the delay in providing documentation is caused by factors beyond the household's control, and the household has made every effort to obtain the documentation.

16.3.2.2. In the case of a newborn child, the head of household will submit a completed add-a-member packet within 30 days of the birth of the child. The household will have 90 days from the date of birth to provide RHA with the original Social Security card. If needed, the household may request a 90 day extension before the 90 days has elapsed. The household may be required to provide documentation supporting the need for an extension.

16.3.2.3. For a minor other than a newborn to be added to an assisted household, custody must be established.

16.3.2.3.1. If custody has been awarded by a court proceeding, the court determination must be provided.

16.3.2.3.2. If there has been no court determination of custody, a notarized statement from the other parent must be provided along with a self-certification from the assisted household that no court determination

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exists and who shall have custody of the child(ren).

- 16.3.2.3.3. Children of a live-in aide shall not be considered household members unless the head of household has legal custody of the children.

16.4. VISITORS

A household may request approval of a guest for up to 90 days. If the household is in the process of adding a new member to the household, additional time may be considered if the household has complied with all RHA requests. Written requests for guests to stay in the assisted household must be submitted to RHA prior to the guest's arrival and must include the full name of each guest. All requests for guests must be in compliance with the lease agreement.

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days without RHA approval, or a total of 30 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

- 16.4.1. The burden of proof that the individual is a visitor rests on the household. In the absence of such proof, the individual will be considered an unauthorized member of the household and RHA will terminate assistance since prior approval was not requested for the addition.
- 16.4.2. Absence of evidence of any other address will be considered verification that the visitor is a member of the household. Statements from neighbors and/or the landlord will be considered in making the determination. Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- 16.4.3. Minors and college students who were part of the household but who now live away from home during the school year and are no longer on the lease may visit for up to 90 days per year without being considered a member of the household.
- 16.4.4. In a joint custody arrangement, if the minor is in the household 182 days or less per year, the minor will be considered an eligible visitor and not a household member. Since the child is a visitor, the child will not be included when determining subsidy size.
- 16.4.4.1. When both parents are on the waiting list or receiving housing assistance and both are trying to claim the child, the parent whose address is listed in the child's school records is allowed to claim the school-age child as a dependent.
- 16.4.4.2. If the child is not enrolled in school, RHA will rely upon official records from daycare providers, tax records, and insurance providers such as Medicaid.

16.5. HOUSEHOLD REQUESTS FOR CHANGE IN HEAD OF HOUSEHOLD OR CO-HEAD/SPOUSE

- 16.5.1. Changes in head of household or co-head/spouse will only be processed upon verification of a medical need for the change or a change in household composition. Changes that would cause the household to be deemed an elderly or disabled household or will cause an increase in subsidy size will not be processed without a change in household composition.

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17. TRANSFER OF TENANCY

[24 CFR 982.314; 982.353; 982.355]

17.1. ALLOWABLE MOVES

A household may move to a new unit with continued assistance if:

- 17.1.1. The assisted lease for the old unit has terminated because RHA has terminated the HAP Contract for owner breach, or the lease was terminated by mutual agreement of the owner and the household.
- 17.1.2. The owner has given the household a notice to vacate.
- 17.1.3. The household has given proper notice of lease termination (and if the household has a right to terminate the lease on notice to owner).
- 17.1.4. A participant of the program may request an emergency transfer if the participant has been a victim of domestic violence, dating violence, sexual assault or stalking as provided for in the Violence Against Women Act (VAWA) and if the participant believes that there is a threat of further imminent harm if they remain in the same unit. A participant may also be eligible if they have been a victim of sexual assault that occurred on the premises within 90 days preceding the emergency transfer request. These eligibilities apply regardless of whether the participant is in good standing.

17.2. RESTRICTIONS ON MOVES

[24 CFR 982.314, 982.552 (a)]

- 17.2.1. Households will not be permitted to move outside RHA's jurisdiction under portability procedures during the initial year of assisted occupancy except as provided for in the VAWA after receipt of acceptable certification.
- 17.2.2. RHA will deny permission to move if there is insufficient funding for continued assistance.
- 17.2.3. RHA may deny permission to move if the household has violated a household obligation or the household owes RHA money, or the owner has commenced an action to evict the tenant or has obtained a court judgment or other process allowing the owner to evict the household. If RHA is in the process of taking action that could result in termination of the household's assistance, RHA will provide written notification of the possible termination to the prospective landlord(s). Any client owing money to RHA must pay any outstanding debts within 30 days of move-out to receive a relocation voucher.
- 17.2.4. The Director of Rental Assistance may make exceptions to these restrictions if there is an emergency reason for the move, over which the participant has no control.

17.3. TRANSFER FOR VOUCHER TENANCY HOLDERS

Voucher holders may request a transfer from unit to unit after one year of occupancy in accordance with the lease and family obligations.

- 17.3.1. Households are required to give at least a 30-day written notice to the owner/manager and RHA. Households will be encouraged to give notice to vacate on the last day of a month (the end of a rental period). Every effort should be made to execute leases, contracts and tenancy addendum on the first day of a month for new units to ensure the maximum administrative fee is earned.
- 17.3.2. After RHA determines that a household does not owe money to RHA and, in some cases, that the household has been complying with its household obligations, RHA will reissue the Voucher in accordance with RHA subsidy standards and give the household a RFTA form to start the transfer process to a new unit. Extensions of up to 30 days each may be given when the household documents inability to find a unit within the initial voucher issuance period. Extensions will not

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allow the voucher term to exceed 180 days. The household must request the extension prior to the expiration date. Once the RFTA is submitted to RHA, the time remaining on the term of the voucher will be suspended until a determination is made by the RHA. In the event the RFTA is not approved, a new RFTA will be issued to the participant and the remaining time on the voucher will continue.

- 17.3.3. Households that vacate a unit without notice to RHA will have violated their household obligations and the household's assistance will be terminated.
- 17.3.4. Transfer requests based on a disability will be handled in accordance with the Reasonable Accommodation procedure.
- 17.3.5. Time of Contract Change. A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance. In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract.

17.4.PORTABILITY

- 17.4.1. Outgoing Portability. Within the limitations of HUD regulations and this policy, a participant household has the right to receive tenant-based voucher assistance to lease a unit outside RHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a household requests to move outside of RHA's jurisdiction, the request must specify the area to which the household wants to move. If there is more than one PHA in the area in which the household has selected a unit, RHA will assist the household in choosing the receiving PHA.
 - 17.4.1.1. *Restrictions on Portability for Applicants*. If neither the head nor spouse had a domicile (legal residence) in RHA's jurisdiction at the date of their initial application for assistance, the household will not be permitted to exercise portability upon issuance of a voucher except as provided for in the VAWA after receipt of acceptable certification. For a portable household that was not already receiving assistance in RHA's tenant-based program, RHA must determine whether the household is eligible for admission under the receiving PHA's program.
 - 17.4.1.2. *Restriction on Portability for Participants*. After an applicant has leased-up in the jurisdiction of the initial housing agency, they cannot exercise portability during the first year of assisted occupancy except as provided for in the VAWA after receipt of acceptable certification. RHA may not permit households to exercise portability if the household owes money to RHA or has moved out of its assisted unit in violation of the lease. If RHA is in the process of taking action that could result in termination of the household's assistance, RHA will provide written notification of the possible termination to the receiving PHA.
- 17.4.2. Incoming Portability.
 - 17.4.2.1. *Absorption or Administration*. RHA will accept a household with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the household will be issued a "portable" voucher by RHA. The term of the voucher will not expire earlier than 30 calendar days from the expiration date of the initial PHA's voucher term. The household must submit a Request for Tenancy Approval for an eligible unit to RHA (the receiving PHA) during the term of RHA's (receiving PHA) voucher. The term of the voucher will be temporarily suspended once the Request for Tenancy Approval is turned in and will end when RHA approves or denies the request. RHA may grant extensions in accordance with this

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Administrative Plan. However, if the household decides not to lease-up in RHA's jurisdiction, they must contact the initial PHA to request an extension.

17.4.2.1.1. When RHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and RHA's policies will prevail. There will be no extensions on the household's voucher unless the initial PHA provides RHA with written approval to accept late billing.

17.4.2.1.2. For admission to the program a household must be income eligible in the area where the household initially leases a unit with assistance under the program.

17.4.2.1.3. RHA re-determines eligibility for a portable household even if they were already receiving assistance in the initial PHA tenant-based voucher program.

17.4.2.1.4. RHA will issue a "portability voucher" according to its own Subsidy Standards. If the household has a change in household composition which would change the voucher size, RHA will change to the proper sized Voucher based on its own Subsidy Standards. If the portable voucher is a VASH voucher, RHA will issue the same-sized voucher listed on the 52665 from the initial PHA. If there is a household composition change, RHA will readjust the subsidy size to match RHA's subsidy standards.

17.4.2.2. *Income and Total Tenant Payment of Incoming Portables.* If RHA conducts a recertification of the household it will not cause a delay in the issuance of a voucher.

17.4.2.3. *Requests for Tenancy Approval.* When the household submits a Request for Tenancy Approval, it will be processed using RHA's policies. If the household does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within 90 days by RHA.

17.4.2.3.1. If the household leases up successfully, RHA will notify the initial PHA within 90 days and the billing process will commence.

17.4.2.3.2. RHA will notify the initial PHA if the household fails to submit a Request for Tenancy Approval for an eligible unit within the term of the voucher.

17.4.2.3.3. If RHA denies assistance to the household, RHA will notify the initial PHA within 90 days and the household will be offered a review or hearing.

17.4.2.3.4. RHA will notify the household of its responsibility to contact the initial PHA if the household wishes to move outside RHA's jurisdiction under continued portability.

17.4.2.4. *Regular Program Functions.* RHA will perform all program functions applicable to the tenant-based assistance program, such as:

- Regular reexaminations of household income and composition
- Regular inspection of the unit
- Interim examinations when requested or deemed necessary by RHA

17.4.2.5. *Terminations.* RHA will notify the initial PHA in writing of any termination of

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assistance within 60 days of the termination. If an informal hearing is required and requested by the household, the hearing will be conducted by RHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA. The initial PHA will be responsible for collecting amounts owed by the household for claims paid and for monitoring repayment. If the initial PHA notifies RHA that the household is in arrears or the household has refused to sign a payment agreement, RHA will terminate assistance to the household.

17.4.2.6. *Required Documents.* As receiving PHA, RHA will require the documents listed on the HUD Portability Billing Form from the initial PHA.

17.4.2.7. *Billing Procedures.* As receiving PHA, the billing cycle for the initial PHA will be monthly for housing assistance payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial PHA. RHA will only notify the initial PHA if a change in the billing amount is made.

17.4.2.7.1. RHA will bill the lesser of 80% of the initial PHA's ongoing administrative fee or 100% of the receiving PHA's ongoing administrative fee for each "portability" voucher leased as of the first day of the month.

17.4.2.7.2. RHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify RHA of changes in the administrative fee amount to be billed.

17.5. TRANSFER FOR MOBILITY PROGRAM PARTICIPANTS

Participants in the MTW Mobility program are receiving assistance for the first year by virtue of occupying a specific unit. After expiration of the initial lease period, the participant may request to be issued a standard Housing Choice Voucher, if one is available.

Transfers are specifically limited to changes in household composition which warrant a change in unit size.

17.5.1. Transfers from Mobility units will be approved only if RHA has another Mobility unit of the appropriate size available.

17.6. TRANSFER FOR PROJECT BASED VOUCHER PROGRAM PARTICIPANTS

Participants in the MTW and RAD Project Based Voucher program are receiving assistance for the initial term of the lease by virtue of occupying a specific unit. After the expiration of the initial lease period, the participant may request to be issued a standard Housing Choice Voucher, if one is available.

Transfers are specifically limited to changes in household composition which warrant a change in unit size during the initial term of the lease.

17.6.1. Transfers from Project Based units will be approved only if RHA has another PBV unit of the appropriate size available within 90-days. If a PBV unit is not available within the specified timeframe, a standard Housing Choice Voucher may be requested.

17.6.2. If a transfer occurs during the initial term of the lease, the following will apply to a PBV transfer:

17.6.2.1. A new lease will be required.

17.6.2.2. The initial PBV timeframe will restart upon execution of the new lease.

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18. ABSENCE FROM THE UNIT

[24 CFR 982.312, 982.54(d)(10), 982.551]

18.1. GENERAL RULES REGARDING ABSENCE FROM THE UNIT

If all members of a family are going to be absent from a subsidized unit on a temporary basis for more than 30 days, the family must notify RHA in writing prior to the first day of the absence. The absence cannot last more than 90 consecutive calendar days (180 days for a HUD-VASH client). Absence from the unit will be approved on a case-by-case basis, with RHA determining whether or when the family may be absent and for how long.

Failure of a household to obtain approval prior to a temporary absence may result in termination of housing assistance. Termination of assistance will occur if the household is absent from the unit for longer than the maximum permitted absence.

18.2. ABSENCE OF ANY MEMBER

Any member of the household will be considered permanently absent if they are away from the unit for 90 days except as otherwise provided in this policy. It is the responsibility of the head of household to report changes in household composition. RHA will evaluate absences from the unit using this policy.

18.2.1. If a member of the household is subject to a court order that restricts them from the home for more than 90 days, the person will be considered permanently absent.

18.3. ABSENCE DUE TO MEDICAL REASONS

If any household member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, RHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the household member will be permanently confined to a nursing home, the household member will be considered permanently absent. If the verification indicates that the household member will return in less than 90 consecutive days, the household member will not be considered permanently absent.

18.3.1. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with RHA's "Absence of Entire Household" policy.

18.4. ABSENCE DUE TO FULL-TIME STUDENT STATUS

Full-time students who attend school away from the home will be treated in the following manner:

18.4.1. Full-time students who attend school away from the home and live with the household during school recess will be considered permanently absent from the household.

18.5. ABSENCE DUE TO INCARCERATION

If the sole member is incarcerated for more than 90 consecutive days, they will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if they are incarcerated for 90 days.

18.5.1. RHA will determine if the reason for incarceration is for drug-related or violent criminal activity.

18.6. ABSENCE OF CHILDREN DUE TO PLACEMENT IN FOSTER CARE

If the household includes a child or children temporarily absent from the home due to placement in foster care, RHA will determine from the appropriate agency when the child/ren will be returned to the home. If the time period is to be greater than 90 days from the date of removal of the child/ren, the Voucher size will be reduced. If all children are removed from the home permanently, the Voucher size will be reduced in accordance with RHA's subsidy standards. RHA has the discretion not to reduce the voucher size in cases where a re-unification plan including a re-unification date has been executed and a copy provided to RHA.

Commented [JN1]: Can we make the maximum absence for VASH 180 days, subject to them abiding by their lease/rent obligations? It would fit better with the Housing First model and allow for treatment. It would still be in alignment with federal regs.

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- 18.6.1. In the case of applicants reporting a child or children are absent due to placement in foster care, RHA will review the household composition and status of the child or children returning to the household 90 days after executing a Housing Assistance Payment contract. If the children remain absent from the unit, RHA may reduce the Voucher in accordance with RHA's subsidy standards.

18.7. ABSENCE OF ENTIRE HOUSEHOLD

These policy guidelines address situations when the household is absent from the unit, but has not moved out of the unit. In cases where the household has moved out of the unit, RHA will terminate assistance in accordance with appropriate termination procedures contained in this plan.

- 18.7.1. Households are required to both notify RHA before they move out of a unit, and to give RHA information about any household absence from the unit.
- 18.7.1.1. Households must notify RHA if they are going to be absent for more than 30 consecutive days.
- 18.7.1.2. If the entire household is absent from the assisted unit for more than 30 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.
- 18.7.2. HUD regulations require RHA to terminate assistance if the entire household is absent from the unit for a period of more than 180 consecutive calendar days.
- 18.7.2.1. Absence means that no household member is residing in the unit.
- 18.7.2.2. In order to determine if the household is absent from the unit, RHA may:
- Write letters to the household at the unit.
 - Telephone the household at the unit.
 - Interview neighbors.
 - Verify if utilities are in service.
 - Check with the post office.
- 18.7.2.3. A person with a disability may request an extension of time as an accommodation.
- 18.7.3. If the absence which resulted in termination of assistance was due to a person's disability and RHA can verify that the person was unable to notify RHA in accordance with the household's responsibilities, and if funding is available, RHA may reinstate the household as an accommodation, if requested by the household, on a case by case basis.

18.8. CARETAKER FOR CHILDREN

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, RHA will treat that adult as a visitor for the first 30 days.

- 18.8.1. If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker contingent upon the caretaker meeting eligibility requirements.
- 18.8.2. If the appropriate agency cannot confirm the guardianship status of the caretaker, RHA will review the status at 30-day intervals.
- 18.8.3. If the custody or legal guardianship has not been awarded by the court, but the action is in progress, RHA will secure verification from social services staff or the attorney as to the status.
- 18.8.3.1. The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody has been made.

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18.8.4. When RHA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. RHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

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19.DENIAL OR TERMINATION OF ASSISTANCE, OCCUPANCY OR CONTRACT

[24 CFR 5.902; 5.903; 5.905; 982.551; 982.552; 982.553]

Voucher assistance can be terminated by either the tenant or RHA depending upon the individual circumstances.

19.1.TERMINATION OF ASSISTANCE BY TENANT

If a tenant decides to voluntarily relinquish their Voucher their assistance will be terminated. It is the responsibility of the tenant to provide both RHA and the owner/manager a 30-day written notice of their intent to voluntarily terminate their assistance.

19.1.1. For Voucher Tenancy participants: household termination of the lease must be in accordance with the terms of the lease. Upon receipt of notice to terminate, staff will record the information and complete a vacancy referral in accordance with RHA procedures.

19.2.DENIAL OR TERMINATION OF ASSISTANCE BY RHA

RHA may deny or terminate assistance for a household because of the household's actions or failure to act. RHA will provide households with a written description of the household obligations under the program, the grounds under which RHA can deny or terminate assistance, and RHA's informal hearing procedures. This section describes when RHA is required to deny or terminate assistance, and RHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract. If RHA determines termination action is appropriate, both the tenant and the owner/manager will be notified at least 30 days in advance in accordance with the HAP contract. When the contract is terminated, RHA will assist the household, if eligible, to find a suitable unit.

19.2.1. Denial of assistance for an applicant may include any or all of the following:

- 19.2.1.1. Denial for placement on RHA waiting list.
- 19.2.1.2. Denying or withdrawing a voucher.
- 19.2.1.3. Refusing to enter into a HAP Contract or approve a tenancy.
- 19.2.1.4. Refusing to process or provide assistance under portability procedures.

19.2.2. Termination of assistance for a participant may include any or all of the following:

- 19.2.2.1. Refusing to enter into a HAP Contract or approve a tenancy.
- 19.2.2.2. Terminating Housing Assistance Payments under an outstanding HAP Contract.
- 19.2.2.3. Refusing to process or provide assistance under portability procedures.

19.2.3. Mandatory denial and termination reasons are as follows:

- 19.2.3.1. RHA must deny assistance to applicants, and terminate assistance for participants if the Household is under contract and 365 days have elapsed since RHA's last Housing Assistance Payment was made.
- 19.2.3.2. RHA must permanently deny assistance to applicants and terminate assistance of persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.
- 19.2.3.3. RHA must deny admission to the program for applicants, and terminate assistance of program participants if RHA determines that any household member is currently engaging in illegal use of a drug. (See section 17.2.5 of this chapter)
- 19.2.3.4. RHA must deny admission to the program for applicants, and terminate assistance

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of program participants if RHA determines it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. (See section 17.2.5 of this chapter)

- 19.2.3.5. RHA must deny admission to an applicant if RHA determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. (See section 17.2.5 of this chapter)
- 19.2.3.6. RHA must terminate program assistance for a household member evicted from housing assistance under the program for serious violation of the lease.
 - 19.2.3.6.1. A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.
- 19.2.3.7. RHA must deny admission to the program for an applicant or terminate program assistance for a participant if any member of the household fails to sign and submit consent forms for obtaining information in accordance with 24 CFR Part 5, Subparts B and F.
- 19.2.3.8. RHA must deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.
- 19.2.4. Authority to deny admission or terminate assistance
 - 19.2.4.1. Grounds for Denial or Termination of Assistance. RHA may deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:
 - 19.2.4.1.1. If any household member has violated the household obligation not to engage in any drug-related criminal activity.
 - 19.2.4.1.2. If any household member has violated the household obligation not to engage in any violent criminal activity.
 - 19.2.4.1.3. If any member of the household has been evicted from federally assisted housing in the last three years.
 - 19.2.4.1.4. If any PHA has ever terminated assistance under the program for any member of the household.
 - 19.2.4.1.5. If any member of the household commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
 - 19.2.4.1.6. The household currently owes rent or other amounts to RHA or to another PHA in connection with Voucher or Public Housing assistance under the 1937 Act.
 - 19.2.4.1.7. The household has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the household under the lease.
 - 19.2.4.1.8. The household breaches an agreement with a PHA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA. RHA at its discretion may offer the household the opportunity to enter into a repayment agreement. RHA will prescribe the terms of the agreement.

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19.2.4.1.9. The household has engaged in or threatened abuse or violent behavior toward RHA personnel. “Abusive or violent behavior toward RHA personnel” includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. “Threatening” refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.

19.2.4.1.10. If any member of the household engages in or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents. (See Section 17.2.5 of this chapter)

19.2.4.2. Consideration of circumstances

19.2.4.2.1. In deciding whether to deny or terminate assistance because of action or failure to act by members of the household, RHA has discretion to consider all of the circumstances in each case, including the seriousness of the case and issues of domestic violence, dating violence, sexual assault and stalking. RHA will use its discretion in reviewing the extent of participation or culpability of individual household members and the length of time since the violation occurred. RHA may also review the household’s more recent history and record of compliance, and the effects that denial of assistance may have on other household members who were not involved in the action or failure to act.

19.2.4.2.2. RHA may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in, or were culpable for the action or failure to act, will not reside in the unit. RHA may permit the other members of a household to continue in the program.

19.2.4.2.3. If denial or termination is based upon behavior resulting from a disability, RHA may delay the denial or termination if a request is made, in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

19.2.5. Screening and Termination for Drug Abuse and Other Criminal Activity

19.2.5.1. HUD Definitions.

19.2.5.1.1. *Covered Person*, for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant’s household, a guest or another person under the tenant’s control.

19.2.5.1.2. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

19.2.5.1.3. *Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

19.2.5.1.4. *Guest*, for purposes of this chapter and 24 CFR Part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has

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express or implied authority to so consent on behalf of the tenant. The requirements of 24 CFR Part 982 apply to a guest as so defined.

- 19.2.5.1.5. *Household*, for the purposes of 24 CFR Part 982 and this chapter, means the family and RHA-approved live-in aide, foster child, or foster adult.
- 19.2.5.1.6. *Other person under the tenant's control*, for the purposes of the definition of *covered person* and for 24 CFR Parts 5 and 24 CFR 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.
- 19.2.5.1.7. *Violent criminal activity* means any criminal activity that has as one of its elements the use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

19.2.5.2. Standard for Violation.

- 19.2.5.2.1. Where RHA determines there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where RHA determines there is a pattern of illegal use of a drug or a pattern of alcohol abuse.
- 19.2.5.2.2. RHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous twelve months.
- 19.2.5.2.3. The violent or drug-related activity is being engaged in by any household member.
- 19.2.5.2.4. "Engaged in or engaging in" violent criminal activity means any act within the past three years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage
- 19.2.5.2.5. The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.
- 19.2.5.2.6. In evaluating evidence of negative past behavior, RHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

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- 19.2.5.3. Screening of Applicants. In an effort to prevent future drug related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and 24 CFR Part 5, Subpart J, RHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior. Such screening will apply to any member of the household who is 18 years of age or older.
- 19.2.5.3.1. Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the voucher program for a three-year period beginning on the date of such eviction.
- 19.2.5.3.2. However, the household may be admitted if, after considering the individual circumstances of the household, RHA determines that:
- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by RHA.
 - The circumstances leading to eviction no longer exist because the criminal household member has died or is imprisoned.
- 19.2.5.3.3. Applicants will be denied assistance if they have been evicted from federally assisted housing for violent criminal activity within the last three years prior to the date of the certification interview.
- 19.2.5.4. Denial of Assistance for Sex Offenders. RHA will deny admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In screening applicants, RHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.
- 19.2.5.5. Termination of Assistance for Participants.
- 19.2.5.5.1. Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity. Under the household obligations, the members of the household must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. HUD regulations require RHA to establish standards for termination of assistance when this household obligation is violated. RHA has established the following standards for termination of assistance for the household when a household member has violated the household obligation to refrain from participating in drug-related or violent criminal activity:
- 19.2.5.5.2. Assistance will be terminated for participants who have been evicted from a unit assisted under any federally assisted housing program for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the date of the notice to terminate assistance.
- 19.2.5.5.3. If any member of the household violates the household obligations by engaging in drug-related or violent criminal activity, RHA will terminate assistance. Exceptions may be made in cases of

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violent criminal activity that involves domestic violence, dating violence, sexual assault and/or stalking as provided for in the VAWA.

19.2.5.5.4. In appropriate cases, RHA may permit the household to continue receiving assistance provided that the household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, RHA may consider individual circumstances with the advice of Juvenile Court officials.

19.2.5.5.5. RHA will waive the requirement regarding drug-related criminal activity if the person demonstrates successful completion of a credible rehabilitation program approved by RHA, or the circumstances leading to the violation no longer exist because the person who engaged in drug-related criminal activity or violent criminal activity is no longer in the household due to death or incarceration.

19.2.5.5.6. Terminating Assistance for Alcohol Abuse by Household Members. Under the household obligations, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a household obligation if RHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents residing in the immediate vicinity of the premises.

19.2.5.5.7. In appropriate cases, RHA may permit the household to continue receiving assistance provided that household members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, RHA may consider individual circumstances with the advice of Juvenile Court officials.

19.2.6. Notice of Termination of Assistance. In any case where RHA decides to terminate assistance to the household, RHA must give the household written notice which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The household's right, if they disagree, to request an Informal Hearing to be held before termination of assistance, and
- The date by which a request for an Informal Hearing must be received by RHA.

19.2.6.1. If RHA proposes to terminate assistance for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the tenant with a copy of the criminal record.

19.2.6.2. RHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the termination of assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

19.2.7. Required Evidence.

19.2.7.1. *Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is,

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evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

- 19.2.7.2. *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.
 - 19.2.7.3. RHA will terminate assistance for criminal activity by a household member, as described in this chapter, if RHA determines that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.
 - 19.2.7.4. RHA will pursue fact-finding efforts as needed to obtain credible evidence.
 - 19.2.7.5. Confidentiality of Criminal Records. RHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.
 - 19.2.7.6. All criminal reports, while needed, will be housed in a locked file with access limited to individuals responsible for screening and determining eligibility for initial and continued assistance, and to upper level Rental Assistance Department management.
 - 19.2.7.7. If the household is determined eligible for initial or continued assistance, the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.
 - 19.2.7.8. If the household's assistance is denied or terminated, the criminal record information shall be shredded when required by state law or when the tenant's file is shredded after record retention requirements are met.
- 19.2.8. Household Obligations
- 19.2.8.1. The household must abide by the following obligations:
 - 19.2.8.1.1. The household must supply any information that RHA or HUD determine is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release or other documentation.
 - 19.2.8.1.2. The household must supply any information requested by RHA or HUD for use in a regularly scheduled reexamination or interim reexamination of household income and composition in accordance with HUD requirements.
 - 19.2.8.1.3. The household must disclose and verify Social Security numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms for obtaining information in accordance with 24 CFR 5.230.
 - 19.2.8.1.4. All information supplied by the household must be true and complete.
 - 19.2.8.1.5. The household is responsible for an HQS breach caused by the household as described in 982.404.

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- 19.2.8.1.6. The household must allow RHA to inspect the unit at reasonable times and after reasonable notice.
- 19.2.8.1.7. The household may not commit any serious or repeated violations of the lease.
- 19.2.8.1.8. The household must notify the owner and, at the same time, notify RHA before the household moves out of the unit or terminates the lease upon notice to the owner.
- 19.2.8.1.9. The household must promptly give RHA a copy of any owner eviction notice.
- 19.2.8.1.10. The household must use the assisted unit for residence by the household. The unit must be the household's only residence.
- 19.2.8.1.11. The composition of the assisted household residing in the unit must be approved by RHA. The household must promptly inform RHA of the birth, adoption or court-awarded custody of a child. The household must request RHA to add any other household member as an occupant of the unit.
- 19.2.8.1.12. The household must promptly notify RHA if any household member no longer resides in the unit.
- 19.2.8.1.13. If RHA has given approval, a foster child or a live-in aide may reside in the unit. If the household does not request approval or RHA approval is denied, the household may not allow a foster child or live-in aide to reside with the assisted household.
- 19.2.8.1.14. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the household and are in concurrence with the lease.
- 19.2.8.1.15. The household must not sublease or let the unit.
- 19.2.8.1.16. The household must not assign the lease or transfer the unit.
- 19.2.8.1.17. The household must supply any information or certification requested by RHA to verify that the household is living in the unit, or relating to household absence from the unit, including any RHA-requested information or certification on the purposes of household absences. The household must cooperate with RHA for this purpose. The household must promptly notify RHA of absence from the unit.
- 19.2.8.1.18. The household must not own or have any interest in the unit.
- 19.2.8.1.19. The members of the household must not commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- 19.2.8.1.20. The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the

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premises. An assisted household, or members of the household, may not receive Section 8 or other tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state or local housing assistance programs.

19.2.8.2. Enforcing Household Obligations

19.2.8.2.1. Explanations and Terms. The term “promptly” when used with the household obligations always means “within 10 days.” Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

19.2.8.2.2. HQS Breach. The inspector will determine if a HQS breach as identified in 24 CFR 982.404 is the responsibility of the household. Households may be given extensions to cure HQS breaches. The housing inspector may give an extension of up to 30 days. Any extensions of more than 30 days must be approved by the Director of Rental Assistance or the Executive Director.

19.2.8.2.3. Lease Violations. The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease.
- If the owner notifies the household of termination of tenancy assistance for serious or repeated lease violations, and the household moves from the unit prior to the completion of court action, and RHA determines that the cause is a serious or repeated violation of the lease based on available evidence.
- If the owner notifies the household of termination of tenancy assistance for serious or repeated lease violations, and the household moves from the unit prior to the completion or court action, and if there are police reports, neighborhood complaints or other third-party information that has been verified by RHA.

19.2.8.2.4. Proposed Additions to the Household. RHA will deny a household’s request to add additional household members who are:

- Persons who have been evicted from Public Housing or other RHA programs.
- Persons who have previously violated a household obligation.
- Persons who have been part of a household whose assistance has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who do not meet RHA’s definition of family.
- Persons who commit fraud, bribery or any other corrupt or

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criminal act in connection with any federal housing program.

- Persons who currently owe rent or other amounts to RHA or to another PHA in connection with Rental Assistance or Public Housing assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward RHA personnel.

19.2.8.2.5. Household Member Moves Out. Households are required to notify RHA if any household member leaves the assisted household. When the household notifies RHA, they must furnish the following information:

- The date the household member moved out.
- The new address, if known, of the household member.
- A statement as to whether the household member is temporarily or permanently absent.

19.2.8.2.6. Limitation on Profit-Making Activity in Unit:

- If the business activity area results in the inability of a household member to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.
- If RHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.
- If RHA determines the business is not legal, it will be considered a program violation.

19.2.8.2.7. Interest in Unit. The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted household, unless the household owns the mobile home and rents the pad.

19.2.8.2.8. Fraud. In each case, RHA will consider which household members were involved, the circumstances, and any hardship that might be caused to innocent members.

19.2.9. Procedures for Non-Citizens [24 CFR 5.514, 5.516, 5.518].

19.2.9.1. Denial or Termination Due to Ineligible Immigrant Status. Applicant or participant households in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. RHA must offer the household an opportunity for a hearing. (See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status). Assistance may not be terminated while verification of the participant household's eligible immigration status is pending.

19.2.9.2. False or Incomplete Information. RHA will deny or terminate assistance based on the submission of false information or misrepresentation.

19.2.9.3. Procedure for Denial or Termination. If the household (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the household may make an appeal to the INS and request a

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hearing with RHA either after the INS appeal or in lieu of the INS appeal. After RHA has made determination of ineligibility, the household will be notified of the determination, as well as the reasons and informed of the option for prorated assistance (if applicable).

19.2.10. Zero (\$0) Assistance Tenancies.

19.2.10.1. The household may remain in the unit at \$0 assistance for up to 365 days after the last HAP payment. If the household is still in the unit after 365 days, the assistance will be terminated. If, within the 365-day time frame, an owner rent increase or a decrease in the Total Tenant Payment causes the household to be eligible for a housing assistance payment, RHA will resume assistance payments for the household.

19.2.10.2. In order for a household to move to another unit during the 365 days, the rent for the new unit would have to be high enough to necessitate a Housing Assistance Payment.

19.2.11. Option Not to Terminate for Misrepresentation. If the household has misrepresented any facts that caused RHA to overpay assistance, RHA may choose not to terminate and may offer to continue assistance provided that the household executes a Repayment Agreement and makes payments in accordance with the agreement, or reimburses RHA in full within 90 calendar days.

19.2.12. Misrepresentation in Collusion with Owner. If the household intentionally, willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, RHA will deny or terminate assistance.

19.2.13. Missed Appointments and Deadlines. It is a Household Obligation to supply information, documentation and certification as needed for RHA to fulfill its responsibilities. RHA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the household allow RHA to inspect the unit, and appointments are made for this purpose.

19.2.13.1. An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying RHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow RHA to inspect the unit.

19.2.13.2. The household will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

19.2.13.3. Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Voucher Issuance and Briefings
- Inspections
- Recertifications
- Appeals

19.2.13.4. Acceptable reasons for missing appointments or failing to provide information by deadlines are:

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- Medical emergency
- Incarceration
- Household emergency

19.2.13.5. Procedure when Appointments are Missed or Information not Provided. For most purposes in this plan, the household will be given two opportunities before being issued a notice of termination or denial for breach of a household obligation. After issuance of the termination notice, if the household offers to correct the breach within the time allowed to request a hearing the termination will be rescinded after the household cures the breach *or* if the household offers to cure and the household does not have a history of non-compliance.

19.3.TERMINATION OF OCCUPANCY

Voucher program participants may only have their occupancy terminated by mutual rescission or by owner/managers instituting a court action. The owner/manager must notify RHA in writing of the commencement of the procedures for termination of tenancy, at the same time that the owner/manager gives notice to the tenant under state and local law. The notice to terminate tenancy must show reasons in accordance with the lease and contract and be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105. In terminating occupancy, owners/managers must ensure that they are in compliance with the VAWA.

- 19.3.1. The owner must provide the tenant with a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.
- 19.3.2. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under Nevada law to commence an eviction action.
- 19.3.3. During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.
- 19.3.4. During the term of the lease the owner may only evict for:
- 19.3.4.1. Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violations of the terms and conditions of the lease.
 - 19.3.4.2. Violations of Federal, State or local law that impose obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises.
 - 19.3.4.3. Other good cause. (During the initial term of the lease, the owner may not terminate the tenancy for 'other good cause' unless the owner is terminating the tenancy because of something the household did or failed to do (see 982.310)).
- 19.3.5. RHA requires that the owner specify the section of the lease that has been violated and cite some or all of the ways in which the tenant has violated that section as documentation for RHA's decision regarding termination of assistance.
- 19.3.6. Housing Assistance Payments are paid to the owner under the terms of the HAP Contract. If the owner has begun eviction and the household continues to reside in the unit, RHA must continue to make Housing Assistance Payments to the owner until the owner has obtained a court judgment or

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other process allowing the owner to evict the tenant.

19.3.7. RHA will continue Housing Assistance Payments until the household moves or is evicted from the unit.

19.3.8. RHA must continue making Housing Assistance Payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly checks from RHA, the owner certifies that the tenant is still in the unit, the rent is reasonable, and they are in compliance with the contract.

19.3.9. If an eviction is not due to a serious or repeated violation of the lease, and if RHA has no other grounds for termination of assistance, RHA may issue a new voucher so that the household can move with continued assistance.

19.4. CONTRACT TERMINATIONS

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and RHA may be terminated by RHA, or by the owner or tenant terminating the lease. No future subsidy payments on behalf of the household will be made by RHA to the owner after the month in which the contract is terminated except in the case of approved Landlord Incentive Program payments. The owner must reimburse RHA for any subsidies paid by RHA for any period after the contract termination date. If the household continues to occupy the unit after the Rental Assistance contract is terminated, the household is responsible for the total amount of rent due to the owner. After a contract termination, if the household meets the criteria for a move with continued assistance, the household may lease-up in another unit. The contract for the new unit may begin during the month in which the household moved from the old unit.

19.4.1. The HAP contract will terminate when RHA has not made a Housing Assistance Payment for 365 consecutive days.

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20. OWNER OR HOUSEHOLD DEBTS TO RHA

[24 CFR 982.552]

This chapter describes RHA's policies for the recovery of monies which have been overpaid for households, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is RHA's policy to meet the informational needs of owners and households, and to communicate the program rules in order to avoid owner and household debts. Before a debt is assessed against a household or owner, the file must contain documentation to support RHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the household or other interested parties. When households or owners owe money to RHA, RHA will make every effort to collect it. RHA will use a variety of collection tools to recover debts including, but not limited to, request for lump sum payments, payment agreements, abatements, and reduction in HAP to owner and collection agencies.

20.1.HOUSEHOLD DEBTS TO RHA

- 20.1.1. Debts Owed for Claims. If a household owes money to RHA for claims paid to an owner, RHA will require the household to pay the amount in full or may enter into a payment agreement.
- 20.1.2. Household Error/Late Reporting. Households who owe money to RHA due to the household's failure to report changes in income, regardless of when the misreporting occurred, will be required to repay in accordance with the payment agreement procedures, incorporated herein by reference.
- 20.1.3. Program Fraud. Households who owe money to RHA due to program fraud will be required to pay in accordance with the payment agreement procedures for program fraud incorporated herein by reference. HUD's definition of program fraud and abuse is a single act or pattern of actions that: Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Rental Assistance funds in violation of Rental Assistance requirements.
- 20.1.4. Late Payments. A payment will be considered in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.
 - 20.1.4.1. If the household's payment agreement is in arrears, and the household has not contacted or made arrangements with RHA, RHA will require the household to pay the balance in full or terminate the housing assistance. The repayment agreement must be paid in full by the date specified in the agreement.
- 20.1.5. If the household requests a move to another unit and has a payment agreement in place, and the payment agreement is not in arrears, the household will be required to pay the balance in full prior to the issuance of a voucher. Exceptions to this policy may be made at the discretion of the Director of Rental Assistance.
- 20.1.6. If a household is terminated or moved off the program with a debt, RHA will update the Enterprise Income Verification (EIV) database system with the amount of the debt owed to the agency in accordance with HUD's Debts Owed to Public Housing Agencies and Termination policy.

20.2.REPAYMENT AGREEMENTS

A Repayment Agreement is a legal and binding agreement entered into between RHA and a current or prior voucher program participant who owes a debt to RHA for overpayment of HAP. It is similar to a promissory note but contains details regarding the nature of the debt, the terms of repayment, special provisions of the agreement, and the remedies available to RHA upon default of the agreement.

- 20.2.1. The maximum length of time RHA will enter into a repayment agreement with a household is 12 months, unless otherwise approved by the Director of Rental Assistance, Executive Director or their

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designee.

20.2.2. A Down payment of 10% of the initial total debt is expected at time of execution of the repayment agreement, unless otherwise approved by the Director of Rental Assistance, Executive Director or their designee.

20.2.3. The minimum monthly payment for any repayment agreement is \$25. Monthly payments will be determined by dividing the remaining balance after receipt of the down payment by the number of months of the agreement. The only exception will be in cases in which the total monthly payment exceeds 40% of Adjusted Gross Income.

20.2.4. Late Payments. A payment will be considered late if not received by the close of business on the day in which the payment is due. If the due date is on a weekend or holiday, the due date will be the close of the next business day.

20.2.5. If the household's payment agreement is in arrears, and the household has not contacted or made arrangements with RHA to correct the arrearage, RHA will require the household to pay the balance in full by the date designated. Termination of assistance may result when any debt is in arrears for three (3) months or more. The repayment agreement must be paid in full by the date specified in the agreement.

20.2.6. If the household requests a transfer to another unit and has a repayment agreement in place and the payment agreement is not in arrears, the family will be permitted to move with prior approval of the Director of Rental Assistance.

20.2.7. There are some circumstances in which RHA will not enter into a repayment agreement:

20.2.7.1. If the household already has a repayment agreement in place.

20.2.7.2. If RHA determines that the household has committed program fraud.

20.2.8. Guidelines for Repayment Agreements

20.2.8.1. Repayment agreements will be executed between RHA and the head of household, co-tenant and/or spouse.

20.2.8.2. Monthly payments may be decreased in cases of hardship if approved by the Director of Rental Assistance. Households must submit a request and provide verification of the hardship. If approved, the decrease will be not be lower than the minimum payment allowed as defined in this section.

20.2.9. Additional Monies Owed: If the household has a payment agreement in place and incurs an additional debt to RHA, RHA will not enter into more than one payment agreement at a time with the same household.

20.3. OWNER DEBTS TO RHA

[24 CFR 982.453(b)]

20.3.1. If RHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, RHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

20.3.1.1. If future housing assistance or claim payments are insufficient to reclaim the amounts owed, RHA will require the owner to pay the amount in full within 60 days.

20.3.2. If a landlord has been overpaid as a result of fraud, misrepresentation, or violation of the HAP contract, RHA may terminate the contract and arrange for restitution to RHA and/or household as appropriate.

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20.4. WRITING OFF DEBTS

Debts will be written off if the debtor's whereabouts are unknown and the debt is more than six months old; if the debtor is deceased; or if the debtor is confined to an institution indefinitely.

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21.COMPLAINTS AND APPEALS

[24 CFR 982.554; 982.555]

RHA will operate all voucher programs in accordance with federal, state and local laws and regulations and RHA policies. If a tenant believes these laws, regulations or policies have been violated they may make a complaint. RHA will respond promptly to complaints from households, owners, employees and members of the public. All complaints will be documented. RHA may require that complaints other than HQS violations are put in writing. RHA will investigate all complaints and if appropriate, respond in writing to the complainant. RHA hearing procedures will be provided to households in the briefing packet. The informal file review and hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of RHA. This chapter describes the policies to be used when households disagree with an RHA decision. It is the policy of RHA to ensure that all households have the benefit of all protections due to them under the law.

21.1.CATEGORIES OF COMPLAINTS

- 21.1.1. Complaints from households: If a household disagrees with an action or inaction of RHA or owner. Complaints from households will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.2. Complaints from owners: If an owner disagrees with an action or inaction of RHA or a household. Complaints from owners will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.3. Complaints from staff: If a staff person reports an owner or household either violating or not complying with program rules, the complaint will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.4. Complaints from the general public: Complaints or referrals from persons in the community in regard to RHA, a household or an owner. Complaints from the general public will be referred to the Rental Assistance Administrator or designated staff. If a complaint is not resolved, it will be referred to the Director of Rental Assistance.
- 21.1.4.1. Anonymous complaints will be investigated whenever possible by appropriate RHA staff.

21.2.INFORMAL FILE REVIEW PROCEDURE

Informal File reviews are provided for applicants who are denied assistance before the effective date of the HAP contract. Informal file reviews are also utilized with participants facing termination of housing assistance as an attempt to resolve a situation before it reaches the Hearing stage. The exception is that when an applicant is denied assistance for citizenship or eligible immigration status, the applicant is entitled to a hearing (see Section 17.4 of this Chapter).

- 21.2.1. Informal File Reviews are not required for established policies and procedures and RHA determinations such as:
- Discretionary administrative determinations by RHA
 - General policy issues or class grievances
 - Refusal to extend or suspend a voucher

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- An RHA determination not to grant approval of the tenancy
- Determination that the unit is not in compliance with HQS
- Determination that unit is not in accordance with HQS due to household size or composition.

21.2.2. Procedures for Applicants:

21.2.2.1. RHA must provide applicants with the opportunity for an informal file review of decisions denying:

- Listing on RHA's Waiting list
- Issuance of a voucher
- Participation in the program
- Assistance under portability procedures

21.2.2.2. When RHA determines that an applicant is ineligible for the program; the household must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible,
- The procedure for requesting a review if the applicant does not agree with the decision and,
- The time limit for requesting a review.

21.2.2.3. When denying admission for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the applicant with an opportunity to view the criminal record upon which the decision to deny was based.

21.2.3. Procedures for Participants:

21.2.3.1. When RHA makes a decision regarding the continued eligibility and/or the amount of assistance, participants must be notified in writing. RHA will give the household prompt notice of such determinations which will include:

- The proposed action or decision of RHA
- The date the proposed action or decision will take place
- The household's right to an explanation of the basis for RHA's decision
- The procedures for requesting a hearing if the household disputes the action or decision
- The time limit of 14 days for requesting the hearing

In the case of termination of assistance, a file review will be automatically scheduled, and the date and time will be included in the termination letter.

21.2.4. Procedure for Review. It is RHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. Therefore, RHA will utilize the informal file review as a part of the informal hearing procedure. If this is not possible, RHA will ensure that applicants and participants will receive the protections and rights afforded by the law and regulations. RHA's hearing procedures are hereby incorporated by reference.

21.2.4.1. In cases other than the termination of assistance, a request for an informal file review must be received in writing by the close of the business day, no later than 14 days from the date of RHA's notification of the proposed action or change. The

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informal file review will be scheduled within ten days from the date the request is received.

- 21.2.4.2. The informal file review will be conducted by the Admissions Manager, the Rental Assistance Administrator, or designated staff either in-person, over the phone or by utilizing other forms of technology allowing two-way communication. Households with members with disabilities will be accommodated, based on need and with proper documentation, with respect to the manner in which informal file reviews are conducted.
- 21.2.4.3. RHA staff will notify the client in writing of the date and time of the informal file review.
- 21.2.4.4. Households may request one reschedule prior to the date and time of the informal file review.
- 21.2.4.5. A Household may be up to fifteen (15) minutes late for their scheduled informal file review and still have the review conducted. Households more than fifteen (15) minutes late will be considered to have missed their appointment.
- 21.2.4.5.1. In cases of a missed informal file review, households may request one reschedule within 14 days and show "good cause" as to the reason why the initial appointment was missed.
- 21.2.4.5.2. If a household misses two scheduled informal file reviews, the termination may be forwarded to an informal hearing.
- 21.2.4.5.3. If a household misses two requested informal file reviews (requested for reasons not related to termination of assistance), the RHA may not reschedule a third informal file review unless good cause for missing the prior two requested informal file reviews is provided.
- 21.2.4.6. All documentation pertaining to the informal file review will be reviewed during the meeting.
- 21.2.4.7. In the case of termination, if the termination is not resolved at the informal file review, the participant will be scheduled for an informal hearing.
- 21.2.4.8. In cases other than termination of assistance, if the participant still disagrees with the decision made during the informal file review, the participant may request an informal hearing with the Director of Rental Assistance or designated staff.
- 21.2.4.9. All requests for an informal file review, supporting documentation, and a copy of the final decision will be retained in the household's file.

- 21.2.5. When terminating assistance for criminal activity as shown by a criminal record, RHA will provide the subject of the record and the tenant/participant with an opportunity to view the criminal record upon which the decision to terminate was based. Per NRS 179A.110, RHA cannot provide a copy of the criminal record.

21.3. INFORMAL HEARING PROCEDURES

[24 CFR 982.555(a-f)]

- 21.3.1. RHA must provide participants with the opportunity for an informal hearing for decisions related to any of the following RHA determinations:
- Determination of the household's annual or adjusted income and the computation of the Housing Assistance Payment

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- Appropriate utility allowance used from schedule
 - Household unit size determination under RHA subsidy standards
 - Determination to terminate assistance for any reason
 - Determination to terminate a household's FSS contract, withhold supportive services, or propose forfeiture of the household's escrow account.
- 21.3.2. RHA must always provide the opportunity for an informal hearing before termination of assistance. The hearing will be scheduled by RHA within 10 days from the date the request for a hearing is received.
- 21.3.3. Informal hearings are not required for established policies and procedures and RHA determination such as:
- Discretionary administrative determinations by RHA
 - General policy issues or class grievances
 - Establishment of RHA schedule of utility allowances for households in the program
 - A RHA determination not to approve an extension or suspension of a voucher term
 - A RHA determination not to approve a unit or lease
 - A RHA determination that an assisted unit is not in compliance with HQS (RHA must provide a hearing for household breach of HQS because that is a household obligation determination)
 - A RHA determination that the unit is not in accordance with HQS because of the household size
 - A RHA determination to exercise or not exercise any right or remedy against the owner under a HAP Contract
- The hearing is not intended to provide a forum for initiating or negotiating policy changes between a group or groups of tenants and RHA Board of Commissioners.
- 21.3.4. The informal hearing will be conducted by RHA staff in the presence of RHA's Hearing Officer, either in-person or remotely utilizing technology allowing for two-way audio and visual communication. Households with members with disabilities will be accommodated, based on need and with proper documentation, with respect to the manner in which informal hearings are conducted.
- 21.3.5. After a hearing is scheduled, the household may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the household.
- 21.3.6. If a household does not appear within 15 minutes of their scheduled hearing and has not rescheduled the hearing in advance, the household must contact RHA within 24 hours, excluding weekends and holidays. RHA will reschedule the hearing only if the household can show good cause for the failure to appear.
- 21.3.7. If the household requests copies of documents relevant to the hearing, RHA will make the copies for the household and assess a charge of \$.25 per copy. In no case will the household be allowed to remove the file from RHA's office.
- 21.3.8. The Hearing Officer may ask the household for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

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- 21.3.8.1. If the family misses an appointment or deadline ordered by the Hearing Officer, the action of RHA will take effect and another hearing will not be granted.
- 21.3.9. RHA will take detailed notes of the proceedings which includes a recording of the hearing. The recording of the Informal Hearing will be held for 60 days from the date the household is notified of the results of the Informal Hearing.
- 21.3.10. A notice of the findings will be sent in writing to the participant within 10 days after the informal hearing. It shall include the decision of the Hearing Officer and an explanation of the reason for the decision.
- 21.3.11. The Hearing Officer will determine whether the action, inaction, or decision of RHA is legal and in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the household will be based on a preponderance of the evidence presented at the hearing.
- 21.3.12. All requests for a hearing, supporting documentation and a copy of the final decision will be retained in the household's file.

21.4. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

[24 CFR Part 5, Subpart E].

- 21.4.1. Assistance to the household may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.
- 21.4.2. Assistance to a household cannot be terminated or denied while RHA hearing is pending, but assistance to an applicant may be delayed pending RHA hearing.
- 21.4.3. INS Determination of Ineligibility. If a household member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, RHA will notify the applicant or participant within 10 days of their right to appeal to the INS within 30 days or request an informal hearing with RHA either in lieu of or subsequent to the INS appeal.
- 21.4.3.1. If the household appeals to the INS, they must give RHA a copy of the appeal and proof of mailing or RHA may proceed to terminate or deny. The time period to request an appeal may be extended by RHA for good cause.
- 21.4.3.2. The request for an RHA hearing must be made within 14 days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 14 days of receipt of that notice.
- 21.4.3.3. After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the Hearing Officer decides that the individual is not eligible, and there are no other eligible household members RHA will:
- Deny the applicant household
 - Defer termination if the household is a participant and qualifies for deferral
 - Terminate the participant if the household does not qualify for deferral
- 21.4.3.4. If there are eligible members in the household, RHA will offer to prorate assistance or give the household the option to remove the ineligible members.
- 21.4.3.5. All other complaints related to eligible citizen/immigrant status:
- If any household member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all household

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members fail to provide, the household will be denied or terminated for failure to provide.

- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.
- Households denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

21.5.MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES

[24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or RHA is terminating assistance, the household will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process.

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22.USE OF PROGRAM RECEIPTS**22.1.PROGRAM RECEIPTS**

RHA shall use program receipts to provide decent, safe and sanitary housing for eligible households in compliance with all HUD requirements. Program receipts may only be used to pay program expenditures.

22.2.PROGRAM EXPENDITURES

RHA shall not make any program expenditures except in accordance with the annual contribution estimate and supporting data for such estimate as approved by HUD.

22.3.OPERATING RESERVE

RHA shall maintain an operating reserve account that shall be credited with the amount by which the total of administrative fees earned, and interest earned on the operating reserve exceed RHA administrative expenses during a fiscal year.

22.4.USE OF OPERATING RESERVES

- 22.4.1. Required Use for Program Administration. The operating reserve must be used to pay Section 8 administrative expenses that exceed program receipts in a subsequent fiscal year. RHA must ensure that projected administrative fees and the operating reserve will cover all projected costs of efficient and effective program administration through remaining ACC terms, based on the ACC(s) in effect at that time.
- 22.4.2. Permitted Use for Other Housing Purposes. Operating reserve funds may be expended for other housing purposes consistent with RHA's authority under state and local law, provided that the amounts used for other housing purposes are not required for projected administrative expenses through remaining ACC terms. If RHA anticipates that on-going fees will not be sufficient for on-going administrative costs through its ACC terms, an appropriate amount must be retained in the operating reserve for projected administrative expenses.
- 22.4.3. Board of Commissioners Approval for Operating Reserve Expenditures. The Board of Commissioners must approve the expenditure of any operating reserves which may be made for other housing purposes. The Board, in approving such expenditures, must make an affirmative determination that the expenditures are necessary and reasonable for other housing purposes consistent with RHA's authority under state and local law.

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23. RHA WORKFORCE DEVELOPMENT PROGRAM

The Workforce Development program is designed to assist families and youth participating in the Housing Choice Voucher (HCV) and Public Housing (PH) programs in achieving economic self-sufficiency by providing educational and employment support.

23.1. OUTREACH

23.1.1. The Authority will notify and recruit participants from eligible families through its newsletters, resident council meetings, flyers, Housing Choice Voucher (HCV) briefings and referrals from housing authority staff. During their annual reexamination, families will be informed about the program by staff and eligible families will be encouraged to apply. This ensures that both minority and non-minority groups are informed of the program.

Workforce Development Coordinators will review various lists (which may include but is not limited to those that are unemployed, those with an earned income of less than, \$10,000, or those that are approaching full contract rent) of HCV and PH families periodically to contact and explain the program benefits and encourage them to join the program.

Coordinators will distribute occasional newsletters, brochures, or additional marketing material to families informing them of employment and job training opportunities, education, community workshops and supportive services available.

23.2. SELECTION PROCESS

23.2.1. Participants will be solicited from current HCV and PH families.

23.2.1.1. Agency procedures will ensure there is no discrimination with regard to race, color, religion, sex, disability, familial status or national origin. The family must be in good standing with the Authority, meaning they are not in eviction or termination proceedings and are otherwise in compliance with program requirements including any repayment agreements.

23.2.1.2. The family must be interested and have the motivation to participate with the Workforce Development Coordinator to:

- Attend Workforce Development in-house workshops that will focus on employment goals.
- Attend career fairs and/or conduct job searches.
- Maintain employment.
- Set and attain goals.
- Increase employment skills and/or enroll in higher education classes.

23.3. PROGRAMS OFFERED

23.3.1. Workforce Development

23.3.1.1. The Workforce Development Program is designed for HCV and PH adult participants with clearly defined goals and vision for their path to self-sufficiency. Highly motivated participants with a concise plan to self-sufficiency will be recommended to this program.

23.3.2. Youth Workforce Development – Start Smart

23.3.2.1. The Youth Workforce Development program is designed to assist HCV and PH youth in establishing short and long term educational and career goals. The Youth

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Workforce Development Coordinator will assist youth ages 14-18 who are not the head, co-head, or spouse in establishing and achieving goals of higher education, vocational training, military service, employment and more.

23.4.FAMILY SELF-SUFFICIENCY FUNDS

23.4.1. The Self-Sufficiency Funds are designed to cover specific costs associated with self-sufficiency activities and is used whenever possible to assist program participants in achieving their self-sufficiency goals. Participants in the Workforce Development Programs will have the opportunity to request self-sufficiency funds in order to overcome a specific barrier towards their self-sufficiency. Workforce Development participants may be eligible to receive funding from one of three self-sufficiency funds:

Interim escrow disbursement: a portion of the participants' escrow funds disbursed before completion of the Contract of Participation (CoP).

RHA hardship disbursement: funding through RHA's MTW WFD activity.

Barrier reduction fund disbursement: funding from forfeited escrow funds.

If the WFD participant has the funds requested in their escrow account, they must request an interim escrow disbursement before requesting hardship funds or barrier reduction funds, unless otherwise approved by the Director of Resident Services.

23.4.2. In order to determine if the participant is eligible for the disbursement of Self-Sufficiency Funds, their request will be reviewed by a committee consisting of no less than three housing authority staff members. This committee will take into account a variety of factors consisting of the severity of the participants need, the participants history, and if the funds will further the participants self-sufficiency goals.

23.4.2.1. Self-Sufficiency Funds may be disbursed for the following reasons, but are not limited to:

- Educational Training Expenses
- Job Training
- Job Retention Expenses
- Transportation
- Health Services
- Alcohol/Drug Abuse Prevention
- Child Care Expenses
- Individual Development
- Technical Skills Expenses
- ESL Expenses

23.4.3. WFD participants are eligible to receive funds from these three accounts if the funds will be used

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to help the participant become self-sufficient. Barrier reduction fund requests must directly tie to an Individual Training and Service Plan (ITSP) goal (i.e. a computer to complete online courses) and must be approved by the Director of Resident Services. Hardship fund requests may not directly tie to an ITSP goal but shall be used to help a participant overcome a barrier to self-sufficiency. Hardship fund requests must be approved by majority vote through the RHA Hardship Committee, consisting of a minimum of three staff members from varying departments.

- Self-sufficiency fund disbursements of any kind are limited to once every six months.

23.5.COMPLETION OF CONTRACT OF PARTICIPATION

23.5.1. Completion of the contract occurs when the Authority determines that the family has fulfilled all of its responsibilities under the contract and has gained employment.

23.6.TERMINATION FROM WORKFORCE DEVELOPMENT PROGRAM

23.6.1. A family or participant can be terminated from any Workforce Development Program due to the following:

- Voluntary withdrawal of the family from the Workforce Development Program
- Mutual consent of the parties
- By such other act deemed inconsistent with the goals and purposes of the Workforce Development Program
- By operation of law
- A participant receives non-compliance reports and fails to acknowledge or communicate with Workforce Development Coordinator
- Termination of HCV or Public Housing assistance
- Failure to cooperate with Housing Authority staff

23.6.2. If the participant violates the terms of their dwelling lease, both housing assistance and the Workforce Development contract may be terminated by the Authority. If housing assistance is terminated, the Workforce Development contract is terminated.

23.6.3. Termination of the Workforce Development contract of participation does not automatically terminate the family's housing assistance. WFD households exiting the program due to unsuccessful exit will retain the right to occupancy according to their lease, the ACOP, or the Rental Assistance Administrative Plan.

23.6.3.1. If the CoP is terminated, the participant will forfeit their savings earned during participation. Forfeited escrow monies will be put into an RHA account to be used for the benefit of WFD families. There are a few circumstances in which a termination with escrow disbursement may occur:

23.6.3.1.1. RHA and family agree that one or more services/resources are both critical and unavailable.

23.6.3.1.2. The Head of FSS family becomes permanently disabled and unable to work after having earned escrow and there is no other household member able or willing to assume the CoP.

23.6.3.1.3. The family ports in a situation where they are unable

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to continue the CoP, but have not yet met the requirements for graduation and RHA determines that there is good cause for termination with escrow disbursement.

23.7. WITHHOLDING OF SUPPORT SERVICES

23.7.1. When a family fails to comply with the requirements of the contract of participation, the Authority will notify the family that they must set up an appointment with the Workforce Development Coordinator within 10 days. They must set up a plan to correct the failure. Proof of compliance or corrective action must be provided in writing by the negotiated deadline or support services may be withheld.

23.8. GRIEVANCE AND HEARING PROCEDURES

23.8.1. There are specific grievance and hearing procedures available to participants. Public Housing participants have a separate hearing procedure adopted by the Board of Commissioners which includes an informal discussion process to resolve and problems before a formal hearing is held.

23.9. ASSURANCE OF NON-INTERFERENCE

23.9.1. The Authority certifies that a family's decision to not participate in the Workforce Development Program will not affect its admission into an assisted housing program or right to occupancy in accordance with its lease.

23.10. CERTIFICATION OF COORDINATION

23.10.1. In order to assure there is no duplication of services and activities, the Authority partners with approximately 78 agencies through the PCC/NET group consisting of agencies that focus on helping clients achieve self-sufficiency. These agencies include the City of Reno, Charles Schwab and Wells Fargo Banks, Job Opportunities of Nevada, Nevada Job Connect, Truckee Meadows Community College (TMCC), TMCC Re-Entry Center, University of Nevada Reno (UNR), Healthy Families, Community Services Agency (CSA), and the Washoe County School District. The PCC/NET group meet quarterly and is divided into sections that have the following foci: family issues, education/employment, housing/finances, and legal services. The Authority certifies that services and activities are coordinated with the PCC/NET agencies.

23.11. WORKFORCE DEVELOPMENT PLAN FOR ESCROW ACCOUNT

23.11.1. Traditional FSS families receiving escrow monies will be grandfathered into the Workforce Development Program. These families will receive the same services as the Traditional FSS Program. The Traditional FSS Program participants will be known as Workforce Development participants.

23.11.2. An escrow account will be established and maintained for each participating family in accordance with federal regulations. An annual escrow account report will be provided to each family.

23.11.3. In order to receive the escrow account, the Workforce Development family must be independent of welfare assistance at the time of the end of the contract of participation. In this instance, welfare assistance means income assistance from federal or state welfare programs including TANF, SSI that is subject to an income eligibility test, and general assistance. It does not include transitional Medicaid or childcare for JOBS participants or SSI payments to guardians of disabled children.

23.11.4. Funds in the escrow account will be forfeited if any of the following occur:

- The contract of participation is terminated.
- The Authority determines that the head of household of the participating family has failed to fulfill the terms of the contract and any extension thereof.

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- Withdrawal of the family from the Workforce Development Program.
- Mutual consent of the parties.
- By such other act deemed inconsistent with the purposes of the Workforce Development Program.
- By operation of law.
- Termination of HCV or Public Housing assistance.
- The contract of participation is completed by the family, but they are receiving welfare assistance when the contract expires, including any extension thereof.

23.11.5.If a family is interested in funding to supplement the amount in their escrow account for down payment and/or closing cost assistance for homeownership, the Workforce Development Coordinator will assist the family in these efforts by collaborating with the NET/PCC members to determine is funding is available in the community.

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24. OWNER OUTREACH

RHA encourages owners of decent, safe and sanitary housing units to lease to voucher households, especially if the units are located outside areas of poverty or minority concentration.

24.1.COMMUNITY ENGAGEMENT

RHA staff members have working relationships with owners, property managers and other real estate organizations. They attend community meetings on request to explain the voucher program, including requirements for equal opportunity, nondiscrimination, fair housing and the Americans with Disabilities Act. A newsletter is occasionally used to keep private owners informed of changes in program requirements, whether regulatory or legislative. An outreach brochure is used to acquaint owners and managers with the opportunities available under the program and to recruit new owners.

24.2.LANDLORD INCENTIVE PROGRAM (EFFECTIVE 10/1/2017, UPDATED 7/1/2023)

24.2.1. Implemented Incentives

24.2.1.1. Payment beyond the move-out.

24.2.1.1.1. The Landlord Incentive Program (LIP) allows landlords to receive their contracted HAP payment through the end of the month as well as an amount no less than the contracted HAP payment and no more than the full contract rent for the following month, for units occupied by voucher participants vacating under the following conditions:

- Deceased tenant
- Evictions for cause
- Vacating unit without proper notice (skip)
- Violation of family obligations resulting in termination of housing assistance

24.2.1.1.2. Damages to the unit that are proven to exceed the security deposit (effective 9/1/19, updated 7/1/23). An additional payment, equivalent to no less than the contracted HAP payment and no more than one month of contract rent, may be requested by the landlord. Requests must be made in writing to the Director of Rental Assistance, no more than 30 calendar days from the date of the action which resulted in the unit being vacated. The landlord must provide an itemized written accounting of charges that has also been provided to the participant upon termination of the tenancy, such as a Security Deposit Settlement Statement that demonstrates repairs of damage to the unit exceeding the security deposit.

24.2.1.1.3. Landlords are eligible for payment beyond the move-out date through the LIP utilizing one of the five conditions above. At no time will a landlord be allowed to claim more than one payment by using a combination of the five conditions identified.

24.2.2. Incentives to be implemented at a future date

24.2.2.1. Re-Lease Bonus

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24.2.2.1.1. Current HCV landlords who sign a HAP Contract to lease the same unit to another HCV program participant will automatically receive a \$500 re-lease bonus.

24.2.2.2. Referral Bonus

24.2.2.2.1. Current landlords who refer a new landlord to the HCV program will be eligible for an automatic \$1,000 referral bonus.

24.2.2.2.2. In order to qualify for the referral bonus, the new landlord must be one who has never leased to one of RHA's HCV program participants before.

24.3. EMERGENCY HOUSING VOUCHER (EHV) INCENTIVE PROGRAM

24.3.1. Households assisted with an EHV are eligible to receive additional assistance for the following items, upon request by their Case Manager:

24.3.1.1. Security deposits

24.3.1.1.1. Any security deposit balance remaining at the end of the tenancy must be returned to the RHA.

24.3.1.2. Utility deposits/utility arrears

24.3.1.3. Application and/or holding fees

24.3.1.4. Rental arrears to private landlords – initial EHV lease ONLY.

24.3.1.4.1. RHA may pay some or all of the applicant's rental arrears to a private landlord, so long as the arrears are a barrier to leasing the EHV unit.

24.3.1.5. Moving expenses – initial EHV lease ONLY.

24.3.1.5.1. RHA may pay some or all of the family's reasonable moving expenses (including move-in fees, storage expenses, lock change fees, and deposits) when they initially lease a unit with the EHV.

24.3.1.6. Pre-Tenancy services and services that support EHV families in fulfilling their family obligations under the EHV program.

24.3.1.6.1. RHA may pay fees for families to obtain vital documents needed to establish eligibility for the program, such as the cost to obtain a birth certificate.

24.3.1.6.2. RHA will pay up to \$500 to assist the family with acquiring essential household items (such as tableware, bedding, furniture, toiletries, cleaning supplies, etc.). RHA will require households to submit receipts in order to receive reimbursement.

24.3.2. Landlords renting to an EHV household are automatically provided the following incentives:

24.3.2.1. A \$1,000 Lease Signing Bonus upon execution of an initial HAP Contract.

24.3.2.2. A \$750 Lease Renewal Bonus upon receipt of a lease renewal for a term greater than one month. This is a one-time bonus per tenancy and only applies to the first renewal.

24.3.3. Additionally, landlords renting to an EHV household have access to a \$2,000 Risk Mitigation Fund in order to a) remedy unit deficiencies required to pass inspection and/or b) reimburse

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damages in excess of the security deposit which are discovered upon move-out of the tenant.

24.3.3.1. In order to access funds to prepare a unit for tenancy or to maintain a unit during tenancy, landlords will be required to provide documentation of the actual cost of the repairs, and those repairs must be determined to be essential for the approval of the unit. Funds will not be distributed until a HAP Contract has been executed, or for maintaining a unit during tenancy, until the unit has passed the inspection.

24.3.3.2. In order to access funds to address damages discovered after move-out, landlords will be required to provide documentation of the actual cost of the repairs and the amount of the security deposit. Payments made under this incentive will not exceed the actual cost of the repairs in excess of the security deposit.

24.3.3.2.1. Landlords receiving funds from the EHV Risk Mitigation Fund due to damages in excess of the security deposit are NOT eligible to receive assistance for the damages under the traditional Landlord Incentive Program.

24.3.3.3. Landlords may receive assistance under both of these categories for a single tenancy; however, the combined assistance provided under these categories will not exceed \$2,000.

24.3.4. Access to these funds is not limited to a certain number of applications; however, households are only eligible to receive this assistance for their first 2 years on the program OR their first 2 tenancies, whichever is sooner.

24.4.LIST OF COMPLEXES ACCEPTING VOUCHERS

Periodically RHA evaluates the demographic distribution of assisted households to provide more choices and better housing opportunities to households. Voucher holders are informed of the areas where they may lease units inside RHA's jurisdiction. A list of units available for the voucher Program is maintained by location inside and outside areas of poverty concentration. This list is updated whenever new information is received and is provided at briefings and is available from the receptionist.

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25. PROGRAM INTEGRITY ADDENDUM

RHA is committed to ensuring that the proper level of benefits is paid to all participating households and that housing resources reach only income-eligible households so that program integrity can be maintained.

RHA will take all reasonable steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines RHA's policies for the prevention, detection, and investigation of program abuse and fraud.

25.1.CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

- 25.1.1. Under no circumstances will RHA undertake an inquiry or an audit of a participating household arbitrarily. RHA's expectation is that participating households will comply with HUD requirements, provisions of the voucher, and other program rules. RHA staff will make every effort (formally and informally) to orient and educate all households in order to avoid unintentional violations. However, RHA has a responsibility to HUD, the community, and eligible households in need of housing assistance to monitor participants for compliance with their lease obligations and, when indicators of possible abuse come to RHA's attention, to investigate such claims.
- 25.1.2. RHA will initiate an investigation of a participating household only in the event of one or more of the following circumstances:
- 25.1.2.1. *Referrals, Complaints, or Tips.* RHA will follow up on referrals received from other agencies, companies, or persons alleging that a household is in noncompliance with or otherwise violating the lease or the program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the household's file.
 - 25.1.2.2. *Internal File Review.* A follow-up will be made if RHA staff discovers (as a function of a [re]certification, an interim redetermination, or a quality control review) information or facts that conflict with previous file data, RHA's knowledge of the household, or statements made by the household.
 - 25.1.2.3. *Verification or Documentation.* A follow-up will be made if RHA receives independent verification or documentation that conflicts with representations in the household file (such as public record information or reports from credit bureaus or other agencies).

25.2.STEPS RHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

- 25.2.1. Briefing Session. Mandatory orientation sessions will be conducted for all prospective program participants either prior to or upon issuance of a voucher. At the conclusion of all briefing sessions, the household representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

25.3.STEPS RHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

RHA staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted households.

- 25.3.1. File Reviews. Prior to initial certification and at the completion of all subsequent recertifications, each participant file will be reviewed. At a minimum, such reviews shall examine:
- 25.3.1.1. Changes in reported Social Security numbers or dates of birth
 - 25.3.1.2. Authenticity of file documents
- 25.3.2. Observation. RHA management and occupancy staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as

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unauthorized persons residing in the household and unreported income.

25.3.3. Public Record Bulletins. These bulletins may be reviewed by management and staff.

25.3.4. State Wage Data Record Keepers. Inquiries to state wage and employment record-keeping agencies, as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

25.3.5. Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the tenant) in the following circumstances:

25.3.5.1. When an allegation is received by RHA wherein unreported income sources are disclosed

25.3.5.2. When a participant's expenditures exceed his/her reported income and no plausible explanation is given.

25.3.6. Enterprise Income Verification. RHA will use HUD's Enterprise Income Verification system to review information reported to national databases from the Social Security Administration, state agencies, and employers, against information obtained from the client.

25.4. RHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

25.4.1. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up.

25.4.2. File Review. An internal file review will be conducted to determine whether the subject of the allegation is a client of RHA and, if so, whether the information reported has been previously disclosed by the household. RHA will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

25.4.3. Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable an investigation will be initiated to determine if the allegation is true or false.

25.5. HOW RHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

25.5.1. If RHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the Executive Director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, RHA will secure the written authorization from the program participant for the release of information.

25.5.1.1. Credit Bureau Inquiries. In cases involving previously unreported income sources, a Credit Bureau inquiry may be made to determine whether the financial activity of a household conflict with the household's reported income.

25.5.1.2. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.

25.5.1.3. Neighbors/Witnesses. Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to RHA's review may be interviewed.

25.5.1.4. Other Agencies. Investigators, caseworkers, or representatives of other benefit agencies may be contacted.

25.5.1.5. Public Records. RHA will review any relevant public records kept in a

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jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

- 25.5.1.6. *Interviews with Head of Household or Family Members.* RHA will discuss the allegation (or details thereof) with the head of household or household members by scheduling appointments at the appropriate RHA office.

25.6.PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY THE PHA

Documents and other evidence obtained by RHA during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among RHA staff that are involved in the process or have information that may assist in the investigation.

25.7.CONCLUSION OF RHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether the facts are conclusive and, if so, whether a violation has or has not occurred.

25.8.EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the PHA will review the facts to determine:

- 25.8.1. What type of violation has occurred (procedural noncompliance or fraud)
- 25.8.2. Whether the violation was intentional or unintentional
- 25.8.3. What amount of money (if any) is owed by the household
- 25.8.4. Whether the household is eligible for continued occupancy

25.9.ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED

Once a program violation has been documented, RHA will propose the most appropriate remedy based upon the type and severity of the violation.

- 25.9.1. Procedural Noncompliance. This category applies when the household "fails to" observe a procedure or requirement of RHA but does not misrepresent a material fact and there is no retroactive rent owed by the household. Examples of noncompliance violations are:

- 25.9.1.1. Failure to appear at a prescheduled appointment
- 25.9.1.2. Failure to return verification in the time period specified by RHA

- 25.9.2. Warning Notice to the Household. In such cases a notice containing the following will be sent to the household:

- 25.9.2.1. A description of the noncompliance and the procedure, policy, or obligation that was violated
- 25.9.2.2. The date by which the violation must be corrected or the procedure complied with
- 25.9.2.3. The action that will be taken by RHA if the procedure or obligation is not complied with by the date specified by RHA
- 25.9.2.4. The consequences of repeated (similar) violations

25.10. PROCEDURAL NONCOMPLIANCE – OVERPAID ASSISTANCE

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25.10.1. When the household owes money to RHA for failure to report changes in income or assets, RHA will issue a notice of overpayment of assistance. This notice will contain the following:

- 25.10.1.1. A description of the violation and the date(s)
- 25.10.1.2. Any amounts owed to RHA
- 25.10.1.3. The number of days within which a response must be received
- 25.10.1.4. Acknowledgment of the household's right to disagree and to request an informal hearing along with instructions for requesting such a hearing
- 25.10.1.5. Participant Fails to Comply with RHA's Notice. If the participant fails to comply with RHA's notice and a household obligation has been violated, RHA will initiate termination of assistance.
- 25.10.1.6. Participant Complies with RHA's Notice. When a participant complies with RHA's notice the staff person responsible will meet with them to explain and discuss the household obligation or program rule that was violated. The staff person will complete a participant counseling report, give one copy to the household, and retain a copy in the household's file.

25.11. INTENTIONAL MISREPRESENTATIONS

When a household falsifies, misstates, omits, or otherwise misrepresents a material fact that results (or would result) in an overpayment of housing assistance by RHA, RHA will evaluate whether or not:

- The participant had knowledge that their actions were wrong (this will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The tenant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing).
- The participant willfully violated the household obligations or the law

25.11.1. If the application contains intentional misrepresentations of income, RHA will charge the family all Housing Assistance Payments made on behalf of the family while receiving assistance.

25.12. WILLFUL INTENT

Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation
- Repetition of the misrepresentation
- Use of a false name or Social Security number
- Admissions of the illegal action or omission by the participant to others.
- Omission of material facts known to the participant (e.g., employment of the tenant or other household member)
- Falsification, forgery, or altering of documents
- Uttering and certifying to statements at a rent (re)determination that are later independently verified to be false

25.13. TENANT COUNSELING FOR MINOR LEASE VIOLATIONS AND MINOR PROGRAM RULE VIOLATIONS

25.13.1. The RHA may issue a client a Tenant Counseling Report, which will remain in the client's file, when notified by an owner of repeated minor lease violations or indicated by RHA staff for minor program violations. The purpose of a tenant counseling report is to review expectations

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outlined in the lease and/or Voucher Family Obligations before further violations impact a client's housing assistance.

25.13.2. Tenant Counseling Reports will be issued in writing and may also require an in-person appointment.

25.14. DISPOSITIONS OF CASES INVOLVING MISREPRESENTATION

In all cases of misrepresentations involving efforts to recover monies owed, RHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

- Terminate tenancy and demand restitution in full
- Terminate tenancy and execute an administrative repayment agreement in accordance with RHA's repayment policy
- Terminate tenancy and pursue restitution through civil litigation
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with RHA's repayment policy

25.15. NOTIFICATION TO PARTICIPANT OF PROPOSED ACTION

RHA will notify the household of the proposed action by certificate of mailing no later than 14 days after the case conference.

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26. PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**26.1. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**

RHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the Housing Authority will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to RHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the Housing Authority.

26.2. ORAL INTERPRETATION

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, RHA will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person.

OR

- 26.2.1. RHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.
- 26.2.2. Where feasible, RHA will train and hire bilingual staff to be available to act as interpreters and translators. Where feasible and possible, the Housing Authority will encourage the use of qualified community volunteers.
- 26.2.3. Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by RHA. The interpreter may be a family member or friend.

26.3. WRITTEN TRANSLATION

In order to comply with written translation obligations, RHA will take the following steps:

- 26.3.1. RHA will provide written translations of vital documents for each eligible LEP language group that constitutes five percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed can be provided orally.

26.4. IMPLEMENTATION PROCEDURES

- 26.4.1. After completing the four-factor analysis RHA has determined that language assistance services are needed only for Spanish speaking populations at this time. Written procedures to address the identified needs of the LEP Spanish speaking population will be developed.
- 26.4.2. The following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

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27. ENTERPRISE INCOME VERIFICATION (EIV)

The U.S. Department of Housing and Urban Development (HUD) is actively involved in implementing and maintaining Departmental policies and procedures to keep its Systems secure from unauthorized access and inappropriate use. In compliance with various security-related Federal laws and regulations, HUD created rules of behavior for the Enterprise Income Verification (EIV) system. Reno Housing Authority will use the EIV tool to obtain Up-Front Income Verifications (UIV) data.

27.1. RESPONSIBILITIES

HUD as the System Owner is responsible for ensuring that an adequate level of protection is afforded to the EIV system through an appropriate implementation of technical, operational, and managerial security controls. EIV system users are responsible for the protection of passwords, information, equipment, systems, networks, and communication pathways to which they have access. All HUD computer resources including hardware, software, programs, files, paper reports, and data are the sole property of HUD. To meet these responsibilities, RHA staff will do the following:

- 27.1.1. Be assigned specific computers with internet access to Secure Systems.
- 27.1.2. Receive security training prior to accessing the system or viewing printed material and annually thereafter.
- 27.1.3. Will maintain a log with the signed Acknowledgement of Security Training by a designated Security Administrator.
- 27.1.4. Receive EIV system training if accessing EIV electronically
- 27.1.5. Designate staff that are to be approved by HUD as User Administrators of HUD's EIV system.

27.2. SECURITY

- 27.2.1. Only staff with clearance obtained through User Administrators of each department will be able to access Secure Systems.
- 27.2.2. Users shall be held accountable for their actions while accessing the system.
- 27.2.3. All computer resources are monitored and audited.
- 27.2.4. Users should contact their supervisor and the HUD Security Officer immediately regarding any suspected violation or breach of system security.
- 27.2.5. The User Administrator(s) must certify all of the Authority's EIV users online through HUD's Secure System as required by HUD.

27.3. APPLICATION RULES

Assigned RHA staff will review the user agreement rules of behavior before entering the EIV website (Web Access Security System (WASS)). A HUD issued User ID and password is to be used solely in connection with the performance of the user's responsibilities and may not be used for personal or private gain.

- 27.3.1. *Unauthorized disclosure* can result in a felony conviction and a fine of up to \$5,000 and/or imprisonment up to five (5) years, as well as civil penalties.
- 27.3.2. *Unauthorized inspection* of UIV data can result in a misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.
- 27.3.3. Users of the system may view the Income Report for the applicable household when required by regulation.

27.4. EIV REPORTS.

- 27.4.1. RHA staff will monitor the following reports on a monthly basis:

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- 27.4.1.1. Deceased Tenants Report
- 27.4.1.2. Identity Verification Report
- 27.4.1.3. Immigration Report
- 27.4.1.4. Multiple Subsidy Report
- 27.4.1.5. Income Verification Tool

27.4.2. RHA staff will update the Enterprise Income Verification (EIV) database system with the amount of the debt owed to the agency in accordance with HUD's Debts Owed to Public Housing Agencies and Terminations policy.

27.5.PRINTED DATA SECURITY

- 27.5.1. Assigned staff will maintain a log of access to the Secure Files and will monitor access to the printed EIV reports ensuring that the reports are returned to the Secure Files or shredded (if applicable) by the end of each day. Assigned staff will also maintain a log of all printed EIV Income Reports that have been shredded.
- 27.5.2. All staff receiving keys to the Secure Files cabinet containing EIV data will sign an acknowledgement of receipt of keys and a log of staff with keys will be maintained.

27.6.USE OF EIV

- 27.6.1. RHA staff will use EIV as required by HUD regulations.
- 27.6.2. When EIV is available and the family does not dispute the EIV data, RHA will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs, RHA will obtain 6 weeks current, consecutive pay stubs.
- 27.6.3. RHA will obtain third-party verifications in the following cases:
 - 27.6.3.1. EIV data is not available.
 - 27.6.3.2. Family disputes the accuracy of EIV data.
 - 27.6.3.3. RHA determines additional information is required.
- 27.6.4. A copy of the ICN will be placed in the file for interims when the complete report is not printed.

27.7.RETENTION OF EIV

- 27.7.1. EIV reports printed after September 1, 2010 will be maintained for the duration of tenancy and three years after the end of participation. EIV reports printed prior to September 1, 2010 may have been disposed of prior to the end of tenancy due to HUD guidance that stated reports needed to be shredded within two years of print date.

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28. HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT OF 2016 (HOTMA)

On July 29, 2016, the Housing Opportunities Through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA makes numerous amendments to Sections 3, 8, and 16 of the United States Housing Act of 1937 (1937 Act), including changes to income calculations and certifications. HUD finalized HOTMA rulemaking in 2023 to put Sections 102, 103, and 104 into effect through revisions to HUD's regulations found in 24 CFR Part 5 and 24 CFR Part 891.

RHA will implement all provisions of HOTMA by January 1, 2025 in accordance with regulations.

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APPENDIX 1 - DEFINITION OF TERMS

ABATEMENT OF HAP. When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by RHA, the assistance payment to the owner will be abated (withheld). If the owner makes repairs during the abatement period, payment will resume on the day the repairs were completed. The owner will receive no payment from RHA for the period the unit was in abatement. [24 CFR 982.405, 982.453]

ABSORPTION. In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portable household. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACTUAL COSTS. Actual cost of repair or replacement and labor charges incurred by the owner/manager to bring the unit to a re-rentable condition. Appropriate documentation such as invoices, receipts, or completed work orders must be submitted to document such costs.

ADJUSTED INCOME. Annual Income minus any HUD-allowable deductions.

ADMINISTRATIVE PLAN. The HUD required written policy of RHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by RHA.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and RHA where HUD agrees to provide funding for operation of the program and RHA agrees to comply with HUD requirements for the program.

ANNUAL INCOME. The gross amount of income anticipated to be received by the household during the 12 months after certification or the actual annual income based on the income received or earned within the last 12 month prior to recertification. Gross income is the amount of income prior to any HUD-allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

APPLICANT. For the purposes of this document, the term "applicant" includes the head of household, spouse, all dependents, and all other adult members of the household and their dependents.

CHILD CARE EXPENSES. Amounts paid by the household for the care of minors under 13 years of age where such care is necessary to enable a household member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A household never has a Co-head and a Spouse; and; a Co-head is never a Dependent.)

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the household is already receiving assistance under any 1937 Housing Act program when the household is admitted to the voucher program.

DATE OWNER/MANAGER LEARNS OF VACANCY. The date the owner/manager has actual knowledge or, through the employment of reasonable management practices, should have knowledge of the vacancy.

DECENT, SAFE AND SANITARY HOUSING. See National Standards for the Physical Inspection of Real Estate.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). The agency of the federal government responsible for monitoring Public Housing Authorities.

DEPENDENT. A member of the household (excluding foster children) other than household head or spouse, who is under 18 years of age or is a full-time student or disabled or handicapped.

DISABLED FAMILY. A household whose head, (including co-head), spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together or one or more persons with disabilities living with one or more live-in aides.

DISABLED PERSON. "Disabled Person" means a person who is under a disability as defined in Section 223 of the Social Security Act or in Section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, or who is handicapped as defined in this Part. Section 223 of the Social Security Act defines

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"disability" as:

- a. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months; or
- b. In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in Section 416(1) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time. Section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, defines "disability" as: a disability attributable to mental retardation, cerebral palsy, epilepsy or another neurological condition of an individual found by the Secretary (of Health, Education and Welfare) to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen, which has continued or can be expected to continue indefinitely and which constitutes a substantial handicap to such individual.

DISPLACED FAMILY. A family whose head (including co-head), spouse, or sole member is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

DRUG-RELATED CRIMINAL ACTIVITY. Drug-trafficking; or illegal use, or possession for personal use, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

DRUG TRAFFICKING. The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

ELDERLY FAMILY. A household whose head, (including co-head), spouse, or sole member is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live in aides.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY. A household which qualifies based on Section 2.1 and which meets the other requirements of this Administrative Plan. The term "Family" includes Elderly, Handicapped, Disabled Person, the remaining member of a tenant household, or a single person. The definition does not exclude persons living alone during the temporary absence of a household member who will later live regularly as part of the household.

ELIGIBLE IMMIGRATION STATUS. 24 CFR 5, Subpart E.

- a. Restrictions on assistance. Financial assistance under the programs covered by this subpart is restricted to:

Citizens; or

Noncitizens who have eligible immigration status in one of the following categories:

A noncitizen lawfully admitted for permanent residents, as defined by Section 101(a)(30) of the Immigration and Nationality Act (INA)(8 U.S.C. 1101 (a)(20) and 1101 (a)(15), respectively) (immigrants). (This category includes a noncitizen admitted under Section 210 or 210A of the INA (8 U.S.C. 1160 or 1161) who has been granted lawful temporary resident status);

A noncitizen who entered the United States before January 1, 1972, or such later date as enacted by law, and has continuously maintained residence in the United States since then, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General under Section 249 of the INA (8 U.S.C. 1259);

A noncitizen who is lawfully present in the United States pursuant to an admission under Section 207 of the INA (8 U.S.C. 1157) (refugee status); pursuant to the grant of asylum (which has not been terminated) under Section 208 of the INA (8 U.S.C. 1153 (a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic national calamity;

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A noncitizen who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons deemed strictly in the public interest under Section 212 (d)(5) (parole status);

A noncitizen who is lawfully present in the United States as a result of the Attorney General's withholding deportation under Section 243(h) of the INA (8 U.S.C. 1253(h)) (threat to life or freedom); or

A noncitizen lawfully admitted for temporary or permanent residence under Section 245 A of the INA (8 U.S.C. 1255(a) amnesty granted under INA 245 A).

b. Family eligibility for assistance.

A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, as described in paragraph (a) of this section;

Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance provided in 24 CFR 5.516 and 5.518. A family without any eligible members and receiving assistance on June 19, 1995 may be eligible for temporary deferral of termination of assistance as provided in 24 CFR 5.516 and 5.518.

EXTREMELY LOW-INCOME FAMILY. A household whose income does not exceed 30 percent of the median income for the Metropolitan Service Area (MSA), as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

FAIR MARKET RENT (FMR). The rent, including utilities (except telephone), ranges and refrigerators and of maintenance, management and other services which, as determined at least annually by HUD would be required to be paid in order to obtain privately-owned existing, decent, safe, and sanitary rental housing of a modest (non-luxury-type unit) nature with suitable amenities. Separate Fair Market Rents shall be established for units of varied size (number of bedrooms) and types (e.g., small, elevator, non-elevator). Also known as Metro Area Fair Market Rents (MAFMRs).

FAMILY (HOUSEHOLD). "Family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- a. A single person, who may be an elderly person, displaced, person, disabled person, near-elderly person or any other single person; or
- b. A group of persons residing together, and such group includes, but is not limited to:
 - i. Households with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - ii. An elderly family;
 - iii. A near-elderly family;
 - iv. A displaced family;
 - v. A disabled family;
 - vi. The remaining member of a tenant family; and
 - vii. A minor who has been awarded a decree of emancipation by a competent court having jurisdiction over said minor.

Also included in the Family may be:

- a. Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively. (There will be a self-certification required of households who claim joint custody or temporary guardianship.)
- b. Other persons who will live regularly as part of the Family group, including foster children and members of the Family temporarily absent, and whose income and resources are available for use in meeting the living expenses of the group.

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- c. Lodgers may not be included in the Family.

FAMILY SHARE. The amount calculated by subtracting the Housing Assistance Payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a household, as determined by RHA under RHA's subsidy standards.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis (carrying a load that is considered full-time for day students under the standards and practices of the educational institution attended).

GROSS RENT. The rent to owner plus any allowance for utilities and other services.

HANDICAPPED PERSON. A person having an impairment which:

- a. Is expected to be of long, continued and indefinite duration,
- b. Substantially impedes his/her ability to live independently, and
- c. Is of such a nature that such disability could be improved by more suitable housing conditions.

HATE CRIME. Actual or threatened physical violence or intimidation that is directed against a person or his/her property and that is based on the person's race, color, religion, sex, national origin, handicap, or familial status.

HEAD OF HOUSEHOLD. The adult household member or emancipated minor who is held responsible and accountable for the household.

HIGH-RISE. Includes buildings of five stories or more with an elevator.

HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT. A written contract between RHA and the Owner/manager for the purpose of providing Housing Assistance Payments to the Owner/manager on behalf of an eligible household.

HOUSING QUALITY STANDARDS (HQS). The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program or the HUD approved alternative standard for the PHA under 24 CFR 5.703.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED ASSET INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$10,000.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a household as a result of a specified welfare benefit reduction but is included in the household's annual income and therefore reflected in the household's rental contribution.

INCOME. The types of money which are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations.

INCOME LIMITS. The maximum annual income a household may have to be eligible for rent assistance as determined by HUD (Appendix 2).

INITIAL PHA. In portability, the term refers to both:

- a. A PHA that originally selected a household that later decides to move out of the jurisdiction of the selecting PHA; and
- b. A PHA that absorbed a household that later decides to move out of the jurisdiction of the absorbing PHA.

LANDLORD. This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LEASE. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a household with Housing Assistance Payments under a HAP Contract between the owner and RHA. In cooperative housing, a written agreement between a cooperative and a

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member of the cooperative. The agreement establishes the conditions for occupancy of the member's household with Housing Assistance Payments to the cooperative under a HAP Contract between the cooperative and RHA.

LEASE ADDENDUM. For pre-merger Certificate, pre-merger OFTO, and pre-merger Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and would not be living in the unit except to provide necessary supportive services.

LOW-INCOME FAMILY. A household whose income does not exceed 80 percent of the median household income for the area, as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

LOW-RISE. Includes multifamily apartment buildings of five or more units and up to four stories. Also include five or six story buildings without an elevator as low-rise structures.

MANUFACTURED HOME. Includes mobile homes.

MAXIMUM INITIAL RENT BURDEN. Any new admission or any household who moves may not pay more than 40 percent of adjusted monthly income toward the initial rent for the unit if the gross rent for the unit is greater than the applicable payment standard for the household. This limit applies only at time of initial leasing of a unit, not after. If it is determined that particular unit sizes in RHA's jurisdiction have payment standard amounts that are creating rent burdens for households, RHA will modify its payment standards for those particular unit sizes.

MEDICAL EXPENSES. Those medical expenses which are to be anticipated during the period for which the Annual Income is computed, and which are not covered by insurance (however, premiums for such insurance may be included as medical expenses). When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be doctor recommended with a specific dosage in order to be considered a medical expense.

MINIMUM RENT AND MINIMUM FAMILY CONTRIBUTION. Minimum rent in the Voucher Program is \$100. This includes the combined amount (TTP) a household pays towards rent and/or utilities.

MINOR. A member of the household (excluding foster children) other than household head or spouse who is under 18 years of age.

MIXED FAMILY. A household with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3).

MOBILITY PROGRAM. Under the Moving to Work demonstration program, RHA will be purchasing, rehabilitating, and assigning Project-Based Vouchers to single family homes, duplexes, apartments, and condos in low-poverty areas. Public Housing families with children who meet eligibility requirements will have the opportunity to apply to live in these properties.

MONTHLY INCOME. 1/12 of the Annual Income (see Annual Income).

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances (see Annual Income after Allowances.)

MOVING TO WORK (MTW). A demonstration program for Public Housing Authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families.

NATIONAL STANDARDS FOR THE PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE). HUD's inspection protocol that prioritizes health, safety, and functional deficiencies over those about appearance, with a focus on the areas that impact residents the most (such as the dwelling unit).

NEAR-ELDERLY. A family whose head (including co-head), spouse or sole member is a person who is at least 55 years of age, but below the age of 62; or two or more persons, who are at least 55 years of age, but below the age of 62 living with one or more live-in aides.

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NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NON-CITIZEN. A person who is neither a citizen nor a national of the United States.

NON-IMMIGRANT STUDENT ALIEN. An alien having a residence in a country which he/she has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who is admitted to the United States as a non-immigrant alien as defined in Section 101(a)(15)(F)(i) of the Immigration and Nationality Act (18 USC 1101(a)(15)(F)(i) temporarily and solely for the purpose of pursuing such full course of study at an established institution of learning or other recognized place of study in the United States. Also non-immigrant alien spouse and minor children of such student if accompanying him/her or following to join him/her.

OWNER. Any person or entity, including a cooperative, having the legal right to lease or sub-lease a dwelling unit.

PARTICIPANT. A household who is receiving HAPs on its behalf in one of the voucher programs.

PASSBOOK SAVINGS RATE. Used to determine annual income from net family assets when net assets exceed \$10,000. PHAs can establish a rate within 0.75 base points (0.75%) of the Savings National Rate as published by the FDIC. Currently set at 0.13%.

PAYMENT STANDARD SCHEDULE. The amount used to calculate the housing assistance a household will receive in the Voucher Tenancy Program. This schedule will be reviewed periodically and revised in accordance with federal regulations. A special payment standard may be established up to 5 percent above the existing amounts where physical modifications are required to dwelling units for reasonable accommodations for persons with disabilities.

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with 24 CFR 903.

PORTABILITY. Renting a dwelling unit with a voucher outside the jurisdiction of the initial Housing Authority. RHA requires applicants who were nonresidents at the time of application to live within Washoe County during the first year of assistance. [24 CFR 982.353]

PROJECT-BASED VOUCHER. These vouchers are associated with a specific unit. A tenant is assigned to the unit and must occupy that unit for a certain period of time before becoming eligible for a standard Housing Choice Voucher.

PUBLIC HOUSING AUTHORITY. Any state, county, municipality or other governmental entity or public body which is authorized to engage in or assist in the development or operation of housing for Lower-Income Families. In Washoe County, this is the Housing Authority of the City of Reno.

QUALIFIED ASSISTED FAMILY: A household who is or who has been a participant under the Voucher Program and who has not vacated a unit owing rent or other amounts under its lease with an owner/manager.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a household selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the household.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total household income used to determine the rent the tenant will pay for the next 12-36 months if there are no additional changes to be reported. There are annual and interim recertifications.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other household members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

REQUEST FOR TENANCY APPROVAL (RFTA). Form HUD 52517A, which must be completed by owner/manager, signed by applicant and owner/manager and submitted along with the owner/manager's lease. This form

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initiates the process to determine suitability of the unit and gross rent.

RHA. Reno Housing Authority.

ROWHOUSE/TOWNHOUSE. Includes structures with three or more units side-by-side and under one roof. (multi-levels in one unit).

SECURITY DEPOSIT. The greater of the amount the owner/manager actually collected or could have collected from the tenant at the date of lease up. This cannot be less than \$50.

SECURITY DEPOSIT SETTLEMENT STATEMENT. The letter or form the owner/manager has used to summarize the status of the tenant's account at move-out (including the costs incurred to restore the unit to a rentable condition) that was submitted to the tenant for payment or refund.

SEMI-DETACHED. Includes units in duplex, triplex, four-plex and two family homes, all on one floor.

SINGLE FAMILY DETACHED. Includes building structures that house only one family under one roof.

SMALL AREA FAIR MARKET RENT (SAFMR). FMRs calculated for zip codes within metropolitan areas, which may be used as the basis for setting Exception Payment Standards.

SPOUSE. The husband or wife of the head of household.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for households of different sizes and compositions.

SUSPENSION. Stopping the clock on the term of a household's Voucher, for such period as determined by RHA, from the time when the household submits a Request for Tenancy Approval until the time RHA approves or denies the request.

TEMPORARILY ABSENT. Temporarily absent is defined as away from the unit for no more than 30 days.

TENANCY ADDENDUM. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

TENANT. For the purposes of this document, the term "tenant" includes the head of household, spouse, all dependents, and all other adult members of the household and their dependents.

TENANT DAMAGES. All destruction of property over and above normal wear and tear by a tenant. This also includes any unusual cleaning required at the time the tenant vacates.

TENANT PAYMENT. (1) A household renting a unit above the payment standard will pay the highest of 30 percent of their monthly adjusted income, 10 percent of their monthly gross income, or minimum rent, plus any rent above the payment standard. (2) A household renting a unit below the payment standard will pay as gross rent the highest of 30 percent of their monthly adjusted income, 10 percent of their monthly gross income, or minimum rent.

TENANT RENT. The amount payable monthly by the household as rent to the unit owner (voucher unit owner or RHA in Public Housing).

TOTAL TENANT PAYMENT (TTP). The total amount the HUD formula requires the tenant to pay toward rent and utilities. The portion of the gross rent payable by an eligible household (i.e., the difference between the amount of Housing Assistance Payment payable on behalf of the household and the gross rent).

UNPAID RENT. Rent owed when the tenants vacated, with or without notice, and failed to pay their portion of the rent through the end of the month.

UTILITIES. Includes electricity, heating, water, hot water, cooking, trash collection, sewer, stove and refrigerator. Telephone service is not included as a utility.

UTILITY ALLOWANCE. An amount determined by RHA as an allowance for the cost of utilities (except telephone) and charges for other services payable directly by the household. Where the household pays directly for one or more utilities or services, the amount of the allowance is deducted from the gross rent in determining the rent to owner and is included in the gross household contribution.

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UTILITY REIMBURSEMENT PAYMENT. The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the household occupying the unit. (Applies only to the HUD VASH program.)

VACANCY LOSS. The loss of rent to an owner/manager from the date a Section 8 unit (other than a Voucher) is vacated and re-rented may, under certain circumstances, be reimbursable by RHA as Vacancy Loss.

VERY-LOW INCOME FAMILY. A household whose income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger households (Appendix 2, Income Limits)

VIOLENCE AGAINST WOMEN AND DEPARTMENT OF JUSTICE REAUTHORIZATION ACT OF 2005 (VAWA). The Violence against Women Act was first authorized in 1994. On January 5, 2006, President George W. Bush signed into law the Reauthorization Act. Public Law 109-162 deals with domestic violence, dating violence, sexual assault, and stalking. It specifies the forms of acceptable certification a victim must provide to RHA to be eligible for the provisions under this law. Sections 603 and 606 of Title VI of the VAWA are applicable to federally assisted housing.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

VOUCHER. A document issued by RHA to a household selected for admission to the voucher program. This document describes the program and the procedures for RHA approval of a unit selected by the household. The voucher also states the obligations of the household under the program.

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APPENDIX 2 - INCOME LIMITS

FY 2023 INCOME LIMITS

# Persons	30% Extremely Low	50% Very Low	80% Low
1	\$20,800.00	\$34,650.00	\$55,400.00
2	\$23,750.00	\$39,600.00	\$63,300.00
3	\$26,700.00	\$44,550.00	\$71,200.00
4	\$30,000.00	\$49,450.00	\$79,100.00
5	\$35,140.00	\$53,450.00	\$85,450.00
6	\$40,280.00	\$57,400.00	\$91,800.00
7	\$45,420.00	\$61,350.00	\$98,100.00
8	\$50,560.00	\$65,300.00	\$104,450.00

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 3 - HUD FAIR MARKET RENTS

FY 2024 Metro Area Fair Market Rents						
by Bedroom Size						
0	1	2	3	4	5	6
\$1,072	\$1,257	\$1,582	\$2,229	\$2,669	\$3,069	\$3,469

FY 2024 Small Area Fair Market Rents (cont'd on next page)							
by Bedroom Size							
Zip Code	0	1	2	3	4	5	6
89402*	\$1,440	\$1,640	\$2,060	\$2,890	\$3,430	\$3,945	\$4,459
89403	\$1,000	\$1,170	\$1,470	\$2,070	\$2,480	\$2,852	\$3,224
89405	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89412	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89424	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89431	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89432	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89433	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89434*	\$1,230	\$1,440	\$1,810	\$2,550	\$3,050	\$3,508	\$3,965
89435	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89436*	\$1,190	\$1,390	\$1,750	\$2,470	\$2,950	\$3,393	\$3,835
89437	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89439	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89440*	\$1,230	\$1,430	\$1,800	\$2,540	\$3,050	\$3,508	\$3,965
89441*	\$1,610	\$1,880	\$2,370	\$3,340	\$4,000	\$4,600	\$5,200
89442	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89450*	\$1,460	\$1,710	\$2,150	\$3,030	\$3,630	\$4,175	\$4,719
89451*	\$1,460	\$1,710	\$2,150	\$3,030	\$3,630	\$4,175	\$4,719

Zip Codes in **bold*** are being used for Exception Payment Standards.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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FY 2024 Small Area Fair Market Rents (continued)							
by Bedroom Size							
Zip Code	0	1	2	3	4	5	6
89501	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89502	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89503	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89504	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89505	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89506*	\$1,150	\$1,350	\$1,700	\$2,400	\$2,870	\$3,301	\$3,731
89507	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89508*	\$1,370	\$1,610	\$2,020	\$2,850	\$3,410	\$3,922	\$4,433
89509	\$1,060	\$1,250	\$1,570	\$2,210	\$2,650	\$3,048	\$3,445
89510	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89511*	\$1,330	\$1,560	\$1,960	\$2,760	\$3,310	\$3,807	\$4,303
89512	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89513	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89515	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89519*	\$1,480	\$1,730	\$2,180	\$3,070	\$3,680	\$4,232	\$4,784
89521*	\$1,530	\$1,790	\$2,250	\$3,170	\$3,800	\$4,370	\$4,940
89523*	\$1,190	\$1,400	\$1,760	\$2,480	\$2,970	\$3,416	\$3,861
89533	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89557	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89570	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89595	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89599	\$1,070	\$1,260	\$1,580	\$2,230	\$2,670	\$3,071	\$3,471
89703	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159
89704	\$960	\$1,140	\$1,430	\$2,030	\$2,430	\$2,795	\$3,159

*Zip Codes in **bold*** are being used for Exception Payment Standards.*

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 4 - VOUCHER PAYMENT STANDARDS

Basic* Payment Standard						
by Bedroom Size						
0	1	2	3	4	5	6
\$ 1,060	\$ 1,256	\$ 1,585	\$ 2,253	\$ 2,700	\$ 3,105	\$ 3,510

*Applicable throughout Washoe County if Zip Code is not listed in Exception Payment Standards table.

Effective for moves/transfers and annuals effective 1/1/24.

Exception** Payment Standards							
by Bedroom Size and Zip Code							
Zip Code	0	1	2	3	4	5	6
89402	\$ 1,400	\$ 1,630	\$ 2,040	\$ 2,900	\$ 3,460	\$ 3,979	\$ 4,498
89434	\$ 1,220	\$ 1,440	\$ 1,820	\$ 2,590	\$ 3,100	\$ 3,565	\$ 4,030
89436	\$ 1,240	\$ 1,470	\$ 1,860	\$ 2,640	\$ 3,170	\$ 3,646	\$ 4,121
89440	\$ 1,250	\$ 1,470	\$ 1,860	\$ 2,650	\$ 3,170	\$ 3,646	\$ 4,121
89441	\$ 1,590	\$ 1,890	\$ 2,380	\$ 3,380	\$ 4,050	\$ 4,658	\$ 5,265
89450	\$ 1,500	\$ 1,780	\$ 2,240	\$ 3,180	\$ 3,820	\$ 4,393	\$ 4,966
89451	\$ 1,500	\$ 1,780	\$ 2,240	\$ 3,180	\$ 3,820	\$ 4,393	\$ 4,966
89506	\$ 1,140	\$ 1,360	\$ 1,710	\$ 2,430	\$ 2,910	\$ 3,347	\$ 3,783
89508	\$ 1,370	\$ 1,620	\$ 2,050	\$ 2,910	\$ 3,490	\$ 4,014	\$ 4,537
89511	\$ 1,310	\$ 1,550	\$ 1,960	\$ 2,790	\$ 3,340	\$ 3,841	\$ 4,342
89519	\$ 1,460	\$ 1,730	\$ 2,180	\$ 3,100	\$ 3,710	\$ 4,267	\$ 4,823
89521	\$ 1,580	\$ 1,870	\$ 2,360	\$ 3,350	\$ 4,020	\$ 4,623	\$ 5,226
89523	\$ 1,220	\$ 1,440	\$ 1,820	\$ 2,590	\$ 3,100	\$ 3,565	\$ 4,030

**Only applicable in the listed Zip Codes. Other Zip Codes see Basic table.

Effective for moves/transfers and annuals effective 1/1/24.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 5 - STANDARDIZED UTILITY ALLOWANCES**Owner Paid Water/Sewer/Trash**

Effective for annuals and vouchers issued on or after 10/1/23

Structure Type	0-BR	1-BR	2-BR	3-BR	4-BR+
EES*	\$67	\$77	\$99	\$121	\$143
Apartment	\$80	\$93	\$120	\$146	\$173
Townhouse/Semi-Detached/Duplex	\$97	\$112	\$147	\$179	\$215
Detached – Single Family House	\$116	\$133	\$172	\$211	\$250
Mobile	\$115	\$132	\$165	\$199	\$232

*EES – Energy Efficient Systems includes cooking, heating, and all electric.

Tenant Paid Water/Sewer/Trash – (must pay at least 2 to qualify)

Effective for annuals and vouchers issued on or after 10/1/23

Structure Type	0-BR	1-BR	2-BR	3-BR	4-BR+
EES*	\$172	\$184	\$209	\$234	\$261
Apartment	\$186	\$200	\$230	\$260	\$292
Townhouse/Semi-Detached/Duplex	\$203	\$219	\$257	\$293	\$334
Detached – Single Family House	\$213	\$231	\$273	\$316	\$360
Mobile	\$212	\$230	\$266	\$304	\$342

*EES – Energy Efficient Systems includes cooking, heating, and all electric.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 6 - Life-Threatening Conditions

Life-Threatening Conditions as defined by HUD in the Housing Opportunity Through Modernization Act of 2016 Life-Threatening List ("HOTMA LT"). [24 CFR 982.404, 82 FR 5458]

The responsible party must correct life-threatening conditions within 24 hours of PHA notification.

Inspectable Item	Deficiency
Call-for-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor. System does not function properly.
Carbon Monoxide Alarm	Carbon monoxide alarm is missing, not installed, or not installed in a proper location. Carbon monoxide alarm is obstructed. Carbon monoxide alarm does not produce an audio or visual alarm when tested.
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior. Chimney exhibits signs of structural failure.
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing. Gas dryer transition duct is detached or missing. Electric dryer exhaust ventilation system has restricted airflow. Dryer transition duct is constructed of unsuitable material. Gas dryer exhaust ventilation system has restricted airflow.
Door - Entry	Entry door is missing.
Door - Fire Labeled	Fire labeled door is missing.
Egress	Obstructed means of egress. Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening. Fire escape is obstructed.
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged. Exposed electrical conductor. Water is currently in contact with an electrical conductor.
Electrical - Service Panel	The overcurrent protection device is damaged.
Exit Sign	Exit sign is damaged, missing, obstructed, or not adequately illuminated.
Fire Escape	Fire escape component is damaged or missing.
Fire Extinguisher	Fire extinguisher pressure gauge reads over or under-charged. Fire extinguisher service tag is missing, illegible, or expired. Fire extinguisher is damaged or missing.
Flammable and Combustible Items	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater. OR Improperly stored chemicals.
Guardrail	Guardrail is missing or not installed. Guardrail is not functioning adequately.

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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Inspectable Item	Deficiency
Heating, Ventilation, and Air Conditioning (HVAC)	<p>The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.</p> <p>Unvented space heater that burns gas, oil, or kerosene is present.</p> <p>Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.</p> <p>Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.</p>
Leak - Gas or Oil	Natural gas, propane, or oil leak.
Mold-Like Substance	Presence of mold-like substance at extremely high levels is observed visually.
Smoke Alarm	<p>Smoke alarm is not installed where required.</p> <p>Smoke alarm is obstructed.</p> <p>Smoke alarm does not produce an audio or visual alarm when tested.</p>
Sprinkler Assembly	<p>Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.</p> <p>Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.</p> <p>Sprinkler assembly has evidence of corrosion.</p> <p>Sprinkler assembly has evidence of foreign material that is detrimental to performance.</p>
Structural System	Structural system exhibits signs of serious failure.
Toilet	Only 1 toilet was installed, and it is missing.
Water Heater	<p>Chimney or flue piping is blocked, misaligned, or missing.</p> <p>Gas shutoff valve is damaged, missing, or not installed.</p>

ADMINISTRATIVE PLAN FOR HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS

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APPENDIX 7 - Simplified Medical Deduction Values (FY 2021 MTW Plan)

Gross Annual Income Range	Annual Medical Deduction
\$1 - \$12,729	\$0
\$12,730 - \$17,110	\$1,700
\$17,111 +	\$2,915

Effective 1/1/21 for annual recertifications

HOUSING AUTHORITY OF THE CITY OF
RENO RESOLUTION **24-02-01 RH**

A RESOLUTION APPROVING A REVISION TO THE HOUSING AUTHORITY OF THE CITY OF RENO'S ADMINISTRATIVE (ADMIN) PLAN FOR SECTION 8 HOUSING CHOICE VOUCHER AND PROJECT BASED VOUCHER PROGRAMS TO UPDATE POLICIES AS THEY RELATE TO THE HUD-VASH PROGRAM, THE PROJECT BASED VOUCHER PROGRAM, THE USE OF SPECIAL HOUSING TYPES, AND THE EMERGENCY HOUSING VOUCHER (EHV) INCENTIVE PROGRAM.

WHEREAS, the Authority wishes to keep the Administrative Plan for Section 8 Housing Choice Voucher, Project Based Voucher up to date, clear, and in accordance with all required regulations, and

WHEREAS, staff has proposed the following revisions to the Administrative Plan as shown in Exhibit 240201-A, and

WHEREAS, staff has determined that these changes to the ADMIN Plan are in accordance with HUD regulations;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the Housing Authority of the City of Reno as follows:

- 1. That the Board of Commissioners hereby approves the revision to the Section 8 Administrative Plan in substantially the form attached hereto marked Exhibit 240201-A
- 2. This Resolution is to be effective upon the date of its adoption

ADOPTED THIS 27th DAY OF February, 2024.

ATTEST:

CHAIRPERSON

SECRETARY

HOUSING AUTHORITY OF THE CITY OF RENO
RESOLUTION **24-02-02**

A RESOLUTION AUTHORIZING THE DISPOSITION OF CERTAIN PUBLIC HOUSING
UNITS LOCATED AT 1400 SILVERADA BOULEVARD, RENO, NEVADA.

WHEREAS, the Housing Authority of the City of Reno (the “Authority”), was organized for the purpose, among others, of developing and operating low-income housing; and

WHEREAS, the Authority is authorized to prepare, carry out, and operate projects, and provide for the acquisition, construction, reconstruction, rehabilitation, improvement, extension, alteration or repair of any project within its area of operation; and

WHEREAS, the Authority currently owns the one hundred forty nine (149) unit public housing development known as Silverada Manor located at 1400 Silverada Boulevard, Reno, Nevada (the “Project”); and

WHEREAS, the Authority applied for conversion of the Project under the Rental Assistance Demonstration (RAD) program and received its RAD Conditional Housing Assistance Payments (CHAP) award letter on July 24, 2023, and anticipates the submission of its RAD financing plan to HUD before May 1, 2024; and

WHEREAS, the Authority intends to make various submissions to the U.S. Department of Housing and Urban Development (“HUD”) to allow the Project to be converted from a public housing project to a project-based Section 8 project under a combination of HUD’s Rental Assistance Demonstration (“RAD”) program and the disposition rules authorized by Section 18 of the U.S. Housing Act of 1937 (42 U.S.C 1437, *et seq.*) as amended (collectively, the “RAD/Section 18 Blend”), and expects HUD to approve such conversion, subject to the meeting of certain conditions by the Authority. In accordance with RAD program requirements, the Project will be subject to certain long-term affordability restriction imposed by HUD; and

WHEREAS, as part of the RAD/Section 18 Blend and the financing of the rehabilitation of the Project, the Authority will submit an application to HUD for the disposition of eighty nine (89) units to a limited liability company (the “Project Owner”) comprised of (a) a managing member in which the Authority is a member and (b) an investor member; and

WHEREAS, the Authority intends to effectuate the disposition and complete the conversion of the Project under the RAD/Section Blend program; and

WHEREAS, based on the need for affordable housing and other matters, it is necessary that the Authority proceed with the transactions described in this resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the Housing Authority of the City of Reno:

Section 1: Incorporation of Recitals. The foregoing recitals shall be incorporated by this reference to this resolution.

Section 2: Disposition of the Project units. That the Authorized Officers (and each of them acting alone or through their designees) are authorized and directed to submit, negotiate, execute, deliver, and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority and in support of the Project those documents deemed necessary and appropriate to apply to HUD for disposition approval under Section 18 of the U.S. Housing Act of 1937 and to obtain the corresponding HUD approval in accordance therewith and in connection with the RAD/Section 18 Blend.

Section 3: Supplemental Authorization. That the Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) determine that any document authorized by this resolution is, at the time such documents otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (iii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Section 4: Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person's absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director (the "Authorized Officers").

Section 5: Changes to Titles or Parties. While the titles of and parties to the various documents hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 6: Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 7: Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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ADOPTED THIS 27th DAY OF February, 2024.

ATTEST

CHAIRMAN

SECRETARY

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 4

February 27, 2024

SUBJECT: Commissioner Reports. (Discussion)

FROM: Commissioners

RECOMMENDATION: Discussion

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 5****February 27, 2024**

SUBJECT: Executive Director/Secretary's Report. (Discussion)

FROM: Executive Director

RECOMMENDATION: Discussion

A. Update on Agency activities

- On January 26th staff, along with Chairman Aiazzi and Commissioner Taylor, provided US Senator Catherine Cortez Masto a tour of several current construction and proposed repositioning projects. The Senator also stopped at RHA's Golden Grocery. The tour provided an opportunity for the Senator to learn about RHA's vast programming and the many ways we strive to serve the community.
- RHA hosted a Property Tour for elected officials on January 26th. Officials from the Washoe County School District, Reno City Council, and County Commission participated. Staff provided information on RHA's programs, housing, and upcoming projects.
- RHA hosted a roundtable discussion on affordable housing with Senator Jacky Rosen on February 21st. The Executive Director and Commissioner Taylor participated in the roundtable. This event allowed RHA to identify some of the challenges facing lower income households within the current housing market and the multi-faceted approach the agency is pursuing to help address these challenges.
- The Executive Director and Deputy Executive Director participated in an affordable housing roundtable hosted by the Nevada Housing Coalition with the Governor's Office. Approximately 20-25 people representing state, local, and federal government agencies as well as local non-profit and stakeholder representatives participated. The topics covered included strategies to create more affordable housing such as accessory dwelling units, the need for sustainable sources of gap financing since Home Means Nevada Initiative funds were one-time money and the Regional Housing Trust Fund does not have a renewable source and/or financial offsets for fee waivers to enable local jurisdictions to continue to waive fees for eligible projects, and potential ways to reduce regulatory barriers through zoning and permitting changes.
- Based on the Board's prior action at its January meeting, staff scheduled a meeting at Sarrazin Arms Apartments in late February to notify residents and provide information on the future land swap with Jacobs Entertainment (dba Reno Real Estate Development). The Executive Director is coordinating with Gaston & Wilkerson on this item.

- RHA's leadership team completed a joint media training with Nevada Rural Housing's leadership team. The training was provided by public relations staff from both agencies.
- Staff attended EDAWNs State of the Economy Luncheon on February 8th. The event provided an overview of the local economy and housing market. The economic outlook was positive for the region. There is still pressure on the local housing market which is causing sustained high rental and for-sale housing prices.

B. Update on Rental Assistance Voucher Programs / Asset Management

Rental Assistance Voucher Programs

Voucher Type	Total Voucher Baseline	Vouchers Leased as of 8/1/22	Percent Leased	Vouchers Issued Not Yet Leased
Housing Choice Voucher	2,484	2,179	88%	155
VASH	541	285	53%	58
EHV	137	108	79%	17
FYI	15	6	40%	5

Number HQS Inspections Conducted by Month	
January 2024	218

City of Sparks Eviction Prevention Program

Total Funding Awarded	Total Assistance Approved as of 2/15/24	Number of Households Approved as of 2/15/24	Percent Funding Spent
\$1,309,500	\$1,022,323	222	78%

Housing Choice Vouchers (HCV)

Description: Vouchers used by clients to lease a unit in Washoe County of their choosing. Applicants are pulled from the RHA HCV Waitlist. These vouchers also include Project Based Vouchers. The RHA has chosen to Project Base 107 of our HCV's to assist special populations obtain housing. Of the total 107 PBV units, 95 are assigned to RHA owned properties.

Lease-Up Expectations: Although total voucher allocation is 2524, HUD has set the agency's leasing expectation at 2382 (AKA RHA's MTW Baseline), which is the maximum leasing expectation set by HUD when RHA signed its MTW Contract. Funds provided by HUD to support the HCV program are also used to support the agency's MTW activities and therefore full lease up of all 2524 vouchers is not expected or suggested by HUD.

Veteran's Affairs Supporting Housing Vouchers (VASH)

Description: Vouchers allocated by HUD with an ongoing partnership with the VA to serve homeless veterans. The VA provides case management services to participants. The VA makes direct referrals to RHA of eligible clients and the RHA provides a VASH voucher. Currently, RHA has project-based 9 of these vouchers.

Emergency Housing Vouchers (EHV)

Description: Vouchers allocated by HUD for the specific purpose of assisting homeless individuals or families or those at risk of homelessness in obtaining housing. RHA is partnering with four local agencies (Catholic Charities, Health Plan of Nevada, Washoe County Human Services-Our Place and Volunteers of America) that have experience providing

services to this population. Referrals for the program must come from the regional Continuum of Care (CoC) coordinated entry system. Direct referrals are received by the RHA from the partnering agency and the RHA provides the EHV voucher.

Foster Youth to Independence Vouchers (FYI)

Description: Voucher allocated by HUD for the specific purpose of assisting foster youth aging out of the foster care system. RHA is partnering with Washoe County Human Services and Eddy House to provide referrals and case management to clients. Direct referrals are received by the RHA from the partnering agency and the RHA provides the FYI voucher.

Asset Management

- During the month of January, Asset Management conducted interviews for the Assistant Manager, Maintenance Groundskeeper and two open Maintenance II positions. Candidates were selected and they are currently going through the pre-employment process with an expected start date in February.
- Maintenance staff have continued teaming up on Thursdays to complete leaf removal and other miscellaneous tasks. They have also been working on obtaining quotes and determining proper site locations for the special projects the resident council has selected with the \$5000.00 in money the board provided to them.
- The entire Asset Management team is currently learning how to enter inspections using the Yardi Mobile Inspection application. This new application will significantly reduce staffs time and completely automate the process. The inspection will be visible to the residents via email, the work orders will automatically be created and a record of the inspection along with pictures and notes will be linked to the tenants account in Yardi.
- The Director, Administrator and Compliance Specialist went through the RAD PBV Specialist training delivered through Nan McKay in preparation for Silverada's RAD repositioning.
- Public Housing ended the month of September with 74 vacancies for an overall occupancy rate of 90.00% across all sites. In January, six residents vacated their unit, and no units were leased.

C. Update on Workforce Development, Elderly Services, and youth activities

Department Updates

- All Resident Services staff attended a two-day training with Tracking-at-a-Glance, our virtual case management software, to better understand the outcome tracking capabilities. Staff will use this new knowledge to ensure that we are tracking program outcomes appropriately moving forward.

Elderly Services

- Elderly Services staff members completed a four-part training by the **Sanford Center for Aging** to learn how to better work with those with Dementia and their family members.

- Due to popular demand among residents, staff held an additional event with **St. Mary's Home Care Services** and a notary to assist seniors in ensuring their end-of-life wishes are known.

Workforce Development (WFD)

- Staff is working with partners to put the final pieces together for the first Homeownership Seminar open to all clients on Saturday, February 24, 2024. Workshops will be offered throughout the day on topics including how the loan process works, how to overcome credit challenges, different financing options, downpayment assistance programs, and more.

Youth/Family Activities

- Staff is preparing for 2024 summer camp in partnership with **Sierra Nevada Journeys**. Thanks to the generous **Helen Close Charitable Foundation** scholarships, 43 youth will get to attend summer camp at no cost.
- The 2024 Start Smart scholarship application has been released to eligible Start Smart students. Applications are due March 29, 2024, for the scholarship committee's review.

Resident Councils

- Resident Services staff continues to work with Development and Asset Management staff to actuate 2023 resident council community beautification fund projects. RHA looks forward to seeing these projects come to fruition soon!
- Tom Sawyer Resident Council hosted a Valentine's pancake Breakfast for all RHA seniors and persons with disabilities.

** The Authority's community partners are designated in bold within the Update on Elderly Services, Workforce Development, and youth activities headers.*

D. Update on Public Affairs Activities

Media: traditional and social

- With board concurrence on project with Jacobs Entertainment, planning with Abbi Agency for 465 W. 2nd Street ceremonial signing media event 2/29. Secured pre-event coverage from Reno Gazette-Journal.
- Preparing for housing roundtable hosted by RHA for Senator Rosen on 2/21.
- Set to cover home ownership seminar at Silverada Manor on 2/24.
- Conducted elected officials tour/open house.
- Conducted tour for Senator Cortez Masto
- Conducted Railyard Flats groundbreaking.
- Conducted day-long media training with all RHA directors and senior staff from Nevada Rural Housing on 2/1.

Other

- Planning for Sarrazin Arms resident meeting to discuss future of the property (with board concurrence) on 2/28.
- Looking for sponsorship for Dick Scott Manor furniture/outfitting needs.
- Working with resident services on graphic collateral material for Start Smart Scholars Night.

E. Update on Development ActivitiesSilverada Manor

- HUD's Fair Housing and Equal Opportunity's review of Silverada Manor's RAD application has been very challenging. FHEO has disapproved the project's accessibility review, request for elderly preference, and unit configuration change request. RHA staff met with FHEO to discuss the review and received helpful direction. Updated accessibility review data was submitted in late February and staff expects the second review will be approved. However, the direction given by FHEO made it clear that there is a high bar to make the case of for an elderly preference and unit configuration change at Silverada. RHA would have to prove that there is an overriding priority need for elderly housing in the community in comparison to that of families. Otherwise, FHEO believe the preference and unit configuration change may violate the Fair Housing Act. After analyzing the data source suggested by FHEO and consulting with Brinshore and Praxis, staff concluded it would be time consuming and difficult to make the case for either request and attempting to do so would likely delay the project even more. Because a delay would jeopardize the HMNI funding in the project, it was decided the best path forward is to withdraw both requests and plan to operate Silverada Manor as a general occupancy site with 22 studios, 64 1 bedrooms, and 63 2 bedrooms.
- With the adjustments to the RAD application, RHA is hoping to schedule a concept call for the Silverada Manor by early March.
- The Lender/Investor RFP for Silverada received robust attention. Brinshore and RHA are in the process of evaluating the RFPs and hope to select the lender/investor in early March to keep on track for the tax-exempt bond application to the state Board of Finance in mid-March.
- RHA staff is planning to hold another round of resident meetings at Silverada at the end of March.

Hawk View

- The Section 18 application review for Hawk View is still ongoing. Brinshore has communicated with the HUD office reviewing the application on multiple occasions

and has been told the review is nearly complete. If HUD does not provide an update by late February, Brinshore and RHA will be requesting a meeting with the office to discuss the review and speed up the approval process.

- RHA and Brinshore presented to the Washoe County HOME Consortium in mid-February as part of the application for \$1M for Hawk View. The presentation went well, and it appears that Hawk View will be very competitive for funding. There will be two more public meetings in March and April, at which point it will be clear if Hawk View will be awarded HOME funds.
- RHA and Brinshore are working diligently to submit a Federal Home Loan Bank Affordable Housing Program grant application for Hawk View for \$1.2M. The application is due March 5.
- RHA staff is planning to hold another round of resident meetings at Hawk View at the end of March.

Dick Scott Manor

- Construction is moving forward on schedule, within budget and current project scope. Projected project completion is June 2024.

Railyard Flats

- The project is off to a strong start with the foundation poured just a few weeks after groundbreaking.
- Staff has finalized the HOME-ARP agreement and is brought a recommendation for the board to approve the agreement and associated documents authorize RHA's executive director to execute them.

Stead Manor

- Stead Manor predevelopment continues to move forward on schedule. RHA is set to receive completed design development documents in March and construction documents in April.
- The design and scope of work are nearing the 50% completion threshold and staff have prepared a report for the February meeting to update the board on the scope of work and receive any feedback.
- RHA staff is planning to hold the initial resident meeting for the project at the end of March.

McGraw Court/Silver Sage Court

- McGraw Court/Silver Sage Court predevelopment continues to move forward on schedule. RHA is set to receive 50% construction development documents in March.

- The design and scope of work are nearing the 50% completion threshold and staff have prepared a report for the February meeting to update the board on the scope of work and receive any feedback.
- RHA staff is planning to hold the initial resident meeting for the project at the end of March.

Carville Court

- RHA responded an additional request for information from the Nevada Housing Division regarding the project's HOME-ARP application in mid-February.

Paradise Plaza

- RHA officially closed on the Paradise Plaza property on February 9th.
- The HUD ER and several other assessments have been ordered so that work can begin on the project as soon as possible.
- RHA staff toured the site with H&K Architects in mid-February. The architects will complete further due diligence on the site and develop a scope of work over the coming month.

Essex Manor

- No project updates as of January 2024.

Capital Fund

- RHA has budgeted a large portion of 2022 Capital funds for relocation and predevelopment expenses related to the Hawk View and Silverada Manor projects. These funds must be obligated by May 11, 2024. Because of the delay in financial closing for Hawk View and Silverada projects, RHA will be submitting an obligation deadline extension request to HUD's Office of Capital Improvements to allow for the funds to be obligated when the projects close later in 2024. Staff expects this will be a straightforward approval.

Reno Avenue

- At this point in time, staff has gathered sufficient information for the Board to consider issuing a Letter of Intent to purchase the property. A report and other supporting documents have been provided to the Board to be further discussed in close session at the February meeting.

Other Updates

- The Department interviewed candidates for the open Project Manager position and selected Blaine McGuire to fill the role. Blaine is currently in the Asset Management Department and will start with Development on March 4. He has strong experience in construction and will be providing much needs support to the Senior Project Manager overseeing the construction management aspects of all the department's projects.

F. Update on Information Technology activities

Yardi Implementation

- We are working with the Client Success Support Team to ensure all outstanding and recent issues are completed to our satisfaction.
- We continue working with the Asset Management team to configure each property and corresponding menus for Affordable Rent Café. Staff from both IT and Asset Management attended online trainings discussing Affordable Rent Café in full.
- We are nearing the finish of the Legal Module implementation with the Asset Management team before training the Assistant Managers.
- The Development, Finance, and IT departments continue working on the Job Cost Module setup.

Laserfiche Implementation

- The scanning team has finished Mineral Manor's clients and have transitioned to residents of Tom Sawyer Village.

Other Projects

- IT finished assembling staff's equipment and performing cable management as the final furniture deliveries arrived during the first week of February.

G. Update on MTW Activities

FY 2025 Annual MTW Plan

RHA's FY 2025 Annual MTW Plan has been drafted and posted for public comment. The proposed activities were presented at a meeting of the Resident Advisory Board and at several Resident Council meetings to provide an overview of the proposed change with those in attendance. A public hearing to answer questions or receive comments on the proposed MTW Annual Plan will be held on March 7, 2024.

In FY 2025, RHA is proposing the following new activities within its MTW Plan:

- *Reduce Interim Recertifications*
RHA is proposing to eliminate interim recertifications due to an increase in household income. This activity is anticipated to reduce the number of interim recertifications resulting in increased staff productivity while also encouraging self-sufficiency among RHA's Public Housing (PH) residents and Housing Choice Voucher (HCV) participants. The proposed activity aligns portions of RHA's recertification policy with upcoming regulation changes in the Housing Opportunities Through Modernization Act (HOTMA) while aiming to keep the process simpler for both staff and clients.

Currently, RHA processes an interim recertification whenever a PH resident or HCV participant reports an increase or decrease in income or assets, when a change in family composition occurs or when a landlord in the HCV program requests a contract rent increase and/or decrease. Under this proposed activity, RHA will no longer process or require PH residents or HCV participants to report increases in household income until the household's next annual recertification. However, RHA will process interim recertifications and redetermine rent in both programs under the following circumstances:

- Any decrease in household income,
 - Workforce Development Program participants with a signed contract of participation can request an interim to update the amount being contributed to their escrow accounts,
 - When increased income would allow a new unit to meet affordability standards when a transfer and/or move is requested,
 - Any change in family composition,
 - When a contract rent increase or decrease is submitted by the landlord.
- *Landlord Incentive Program*
RHA is reproposing this activity to allow for a vacancy loss payment if the unit passes Housing Quality Standards (HQS) on the first inspection and to extend the length of time that the initial inspection results are valid from 45 days to 90 days. Vacancy loss payments will be limited to units that pass HQS on the first inspection and designed to cover the time between RHA's receipt of a Request for Tenancy Approval (RFTA) and the actual lease date by the tenant.

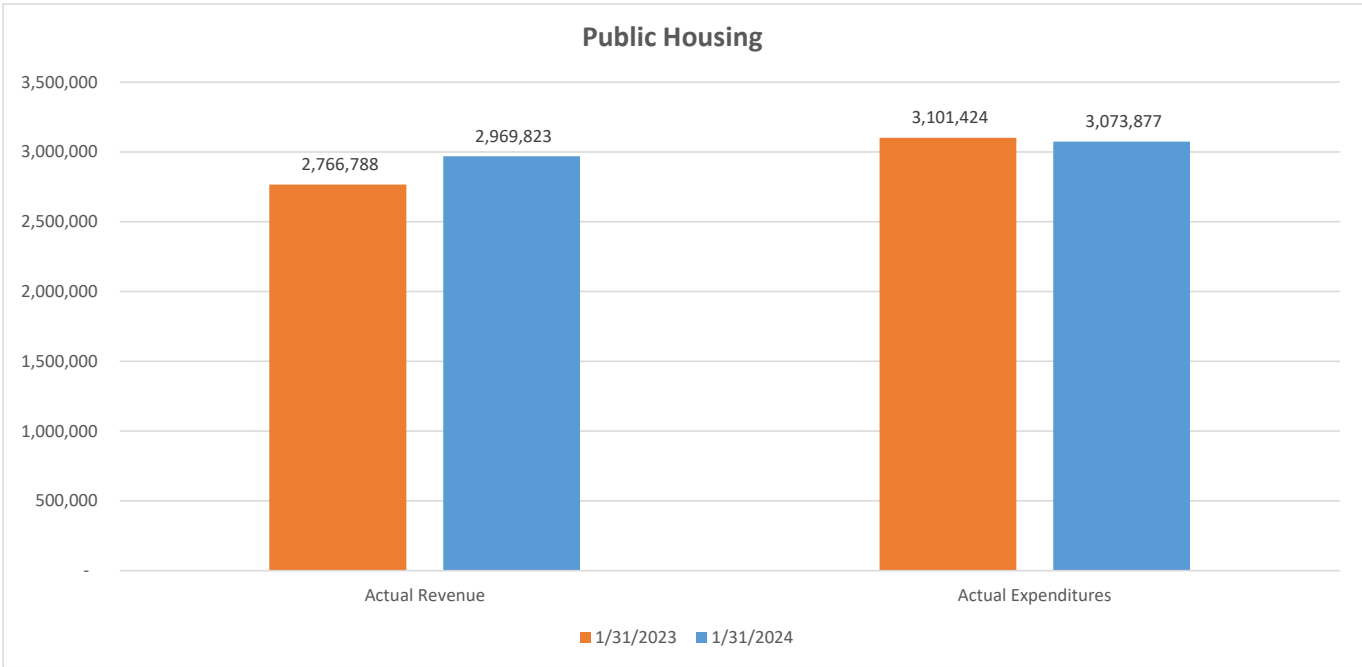
Furthermore, in FY 2025, RHA is proposing to amend the following MTW activity previously approved by HUD and implemented by the agency:

- *Simplify rent calculations and increase the minimum rent*
Similar to upcoming changes in income calculations based on new HOTMA regulations, RHA is amending this activity to allow HCV participants and PH residents with less than \$50,000 in assets to submit a self-certification as to the value and the amount of expected income. Applicants will continue to be asked to provide a well-documented baseline asset value at the time of application or recertification, but RHA staff will only verify and calculate income on assets if the value totals more than \$50,000.

H. Financials

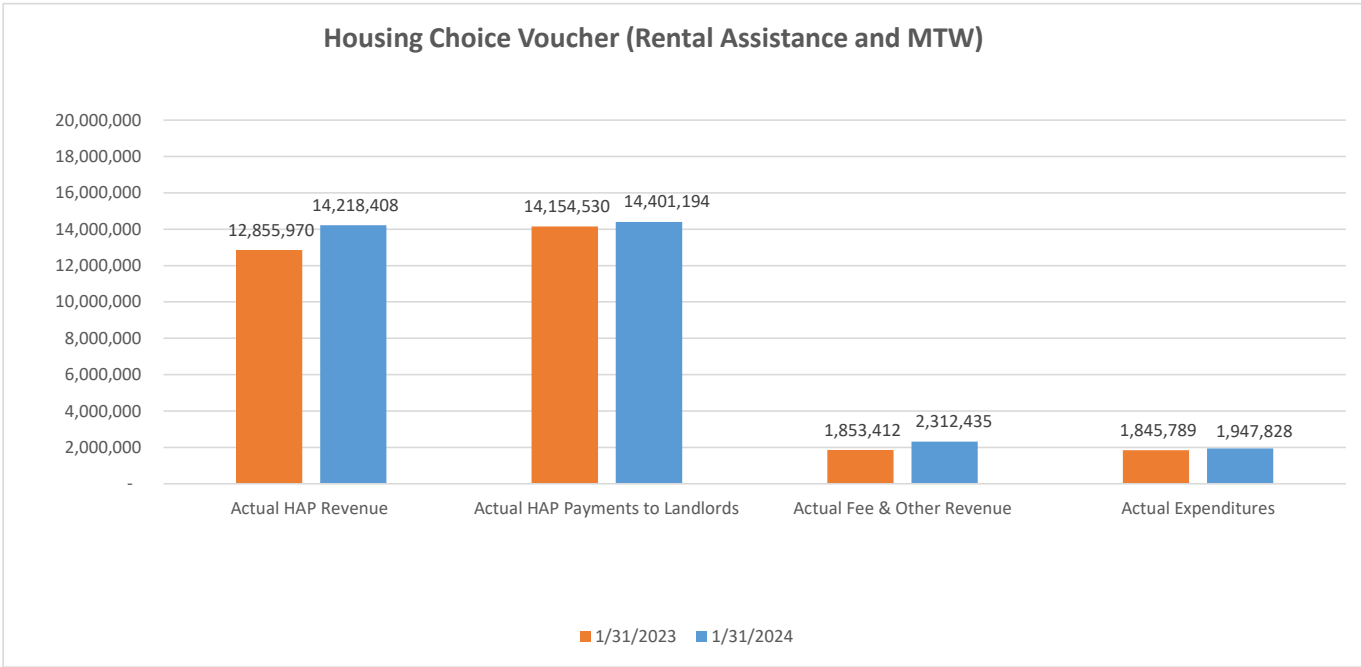
ENTITY-WIDE FINANCIAL REPORT
 FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Public Housing	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual Revenue	2,969,823	2,766,788	203,035	7.34%
Budgeted Revenue	3,082,554	2,723,489	359,065	13.18%
Actual Expenditures	3,073,877	3,101,424	(27,547)	-0.89%
Budgeted Expenditures	3,857,346	3,316,658	540,688	16.30%
Actual Surplus (deficit)	(104,054)	(334,636)	230,582	-68.91%



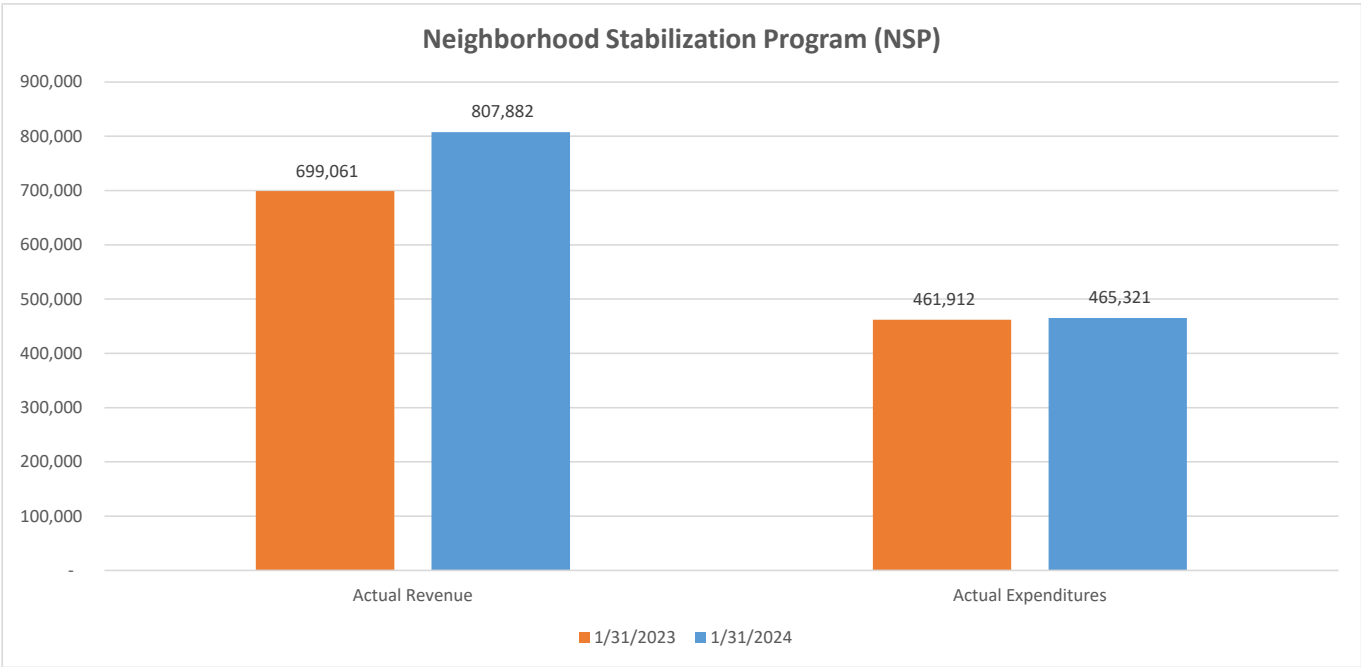
ENTITY-WIDE FINANCIAL REPORT
FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Housing Choice Voucher (Rental Assistance and MTW)	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual HAP Revenue	14,218,408	12,855,970	1,362,438	10.60%
Budgeted HAP Revenue	16,304,264	14,929,019	1,375,245	9.21%
Actual HAP Payments to Landlords	14,401,194	14,154,530	246,664	1.74%
Budgeted HAP Payments to Landlords	14,405,971	14,714,534	(308,564)	-2.10%
Actual Fee & Other Revenue	2,312,435	1,853,412	459,023	24.77%
Budgeted Fee & Other Revenue	1,751,040	1,559,013	192,027	12.32%
Actual Expenditures	1,947,828	1,845,789	102,039	5.53%
Budgeted Expenditures	3,050,054	1,979,876	1,070,179	54.05%
Actual Surplus (deficit)	181,821	(1,290,938)	1,472,759	-114.08%



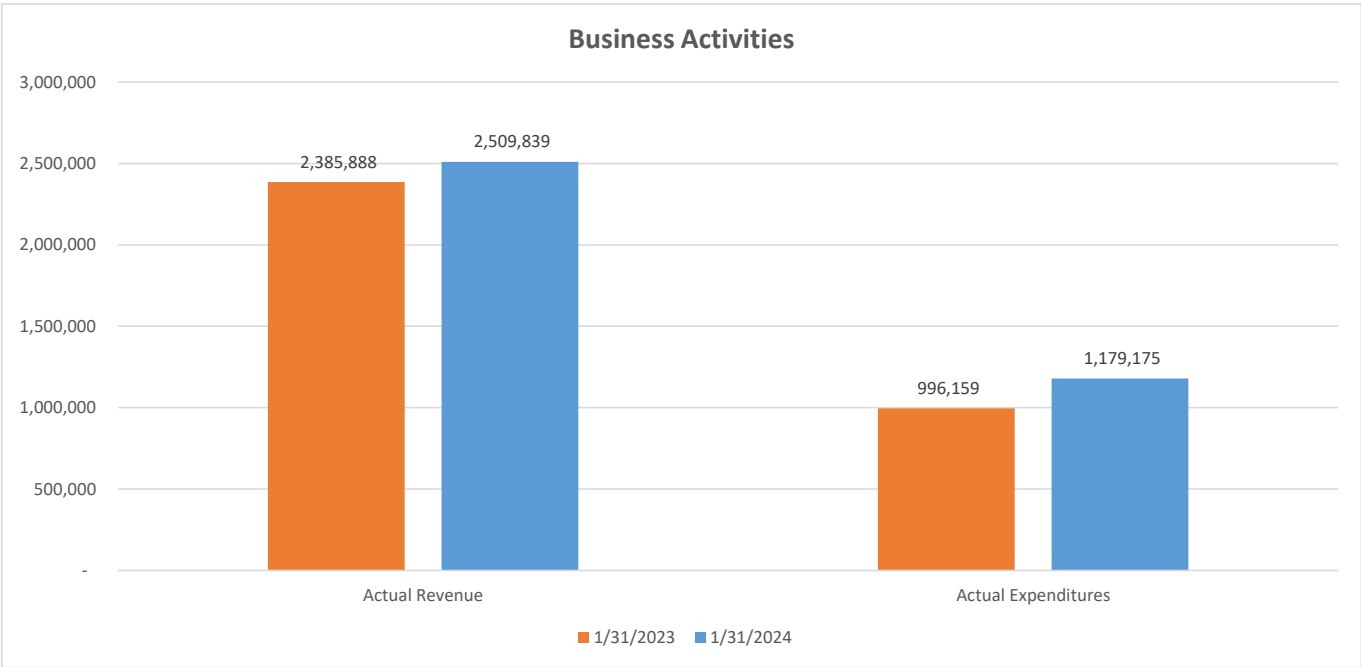
ENTITY-WIDE FINANCIAL REPORT
 FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Neighborhood Stabilization Program (NSP)	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual Revenue	807,882	699,061	108,821	15.57%
Budgeted Revenue	823,718	696,620	127,098	18.25%
Actual Expenditures	465,321	461,912	3,409	0.74%
Budgeted Expenditures	489,992	401,188	88,804	22.14%
Actual Restricted Surplus (deficit)	342,561	237,149	105,412	44.45%



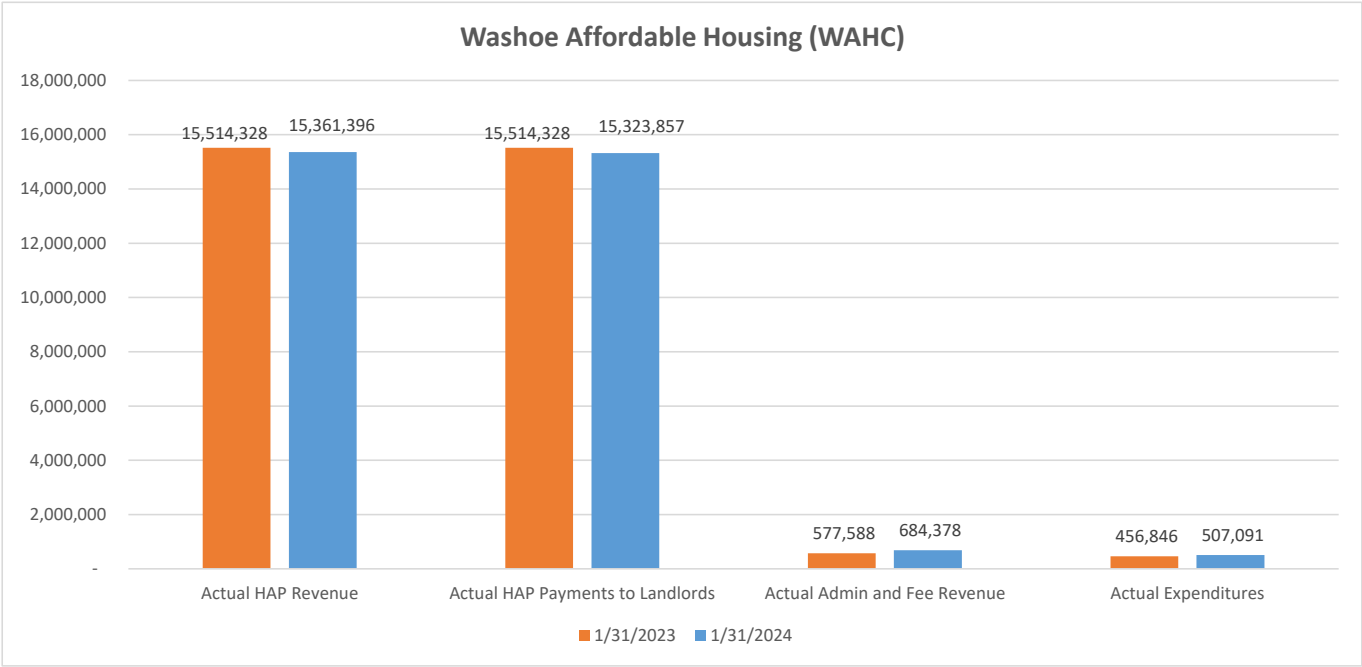
ENTITY-WIDE FINANCIAL REPORT
 FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Business Activities	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual Revenue	2,509,839	2,385,888	123,951	5.20%
Budgeted Revenue	2,313,458	2,390,196	(76,738)	-3.21%
Actual Expenditures	1,179,175	996,159	183,016	18.37%
Budgeted Expenditures	987,630	1,003,971	(16,341)	-1.63%
Actual Unrestricted Surplus (deficit)	1,330,665	1,389,729	(59,064)	-4.25%



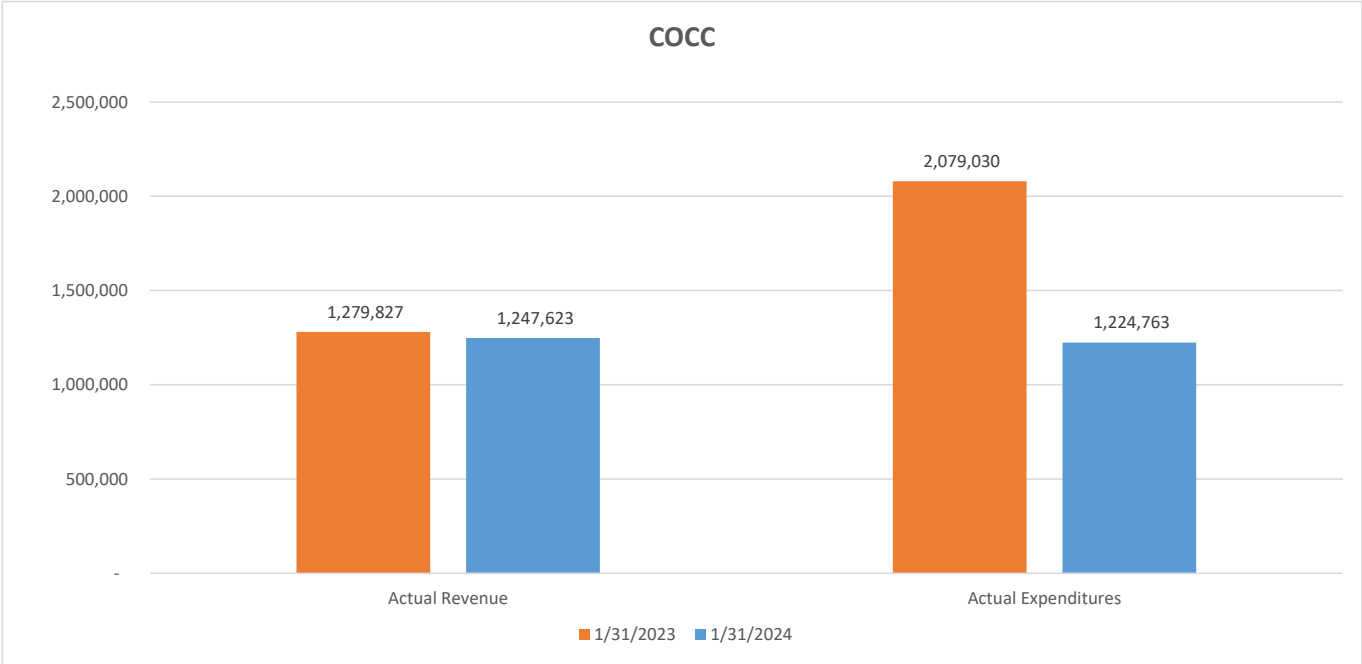
ENTITY-WIDE FINANCIAL REPORT
FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Washoe Affordable Housing (WAHC)	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual HAP Revenue	15,361,396	15,514,328	(152,932)	-0.99%
Budgeted HAP Revenue	15,642,601	15,013,419	629,182	4.19%
Actual HAP Payments to Landlords	15,323,857	15,514,328	(190,471)	-1.23%
Budgeted HAP Payments to Landlords	15,642,601	15,013,419	629,182	4.19%
<i>HAP Surplus (Deficit)</i>	<i>37,539</i>	<i>-</i>	<i>37,539</i>	<i>0.00%</i>
Actual Admin and Fee Revenue	684,378	577,588	106,790	18.49%
Budgeted Admin and Fee Revenue	601,540	602,592	(1,052)	-0.17%
Actual Expenditures	507,091	456,846	50,245	11.00%
Budgeted Expenditures	462,226	412,742	49,483	11.99%
<i>Unrestricted Profit (Loss)</i>	<i>177,287</i>	<i>120,742</i>	<i>56,545</i>	<i>46.83%</i>
Actual compared to budget	214,826	120,742	94,084	77.92%



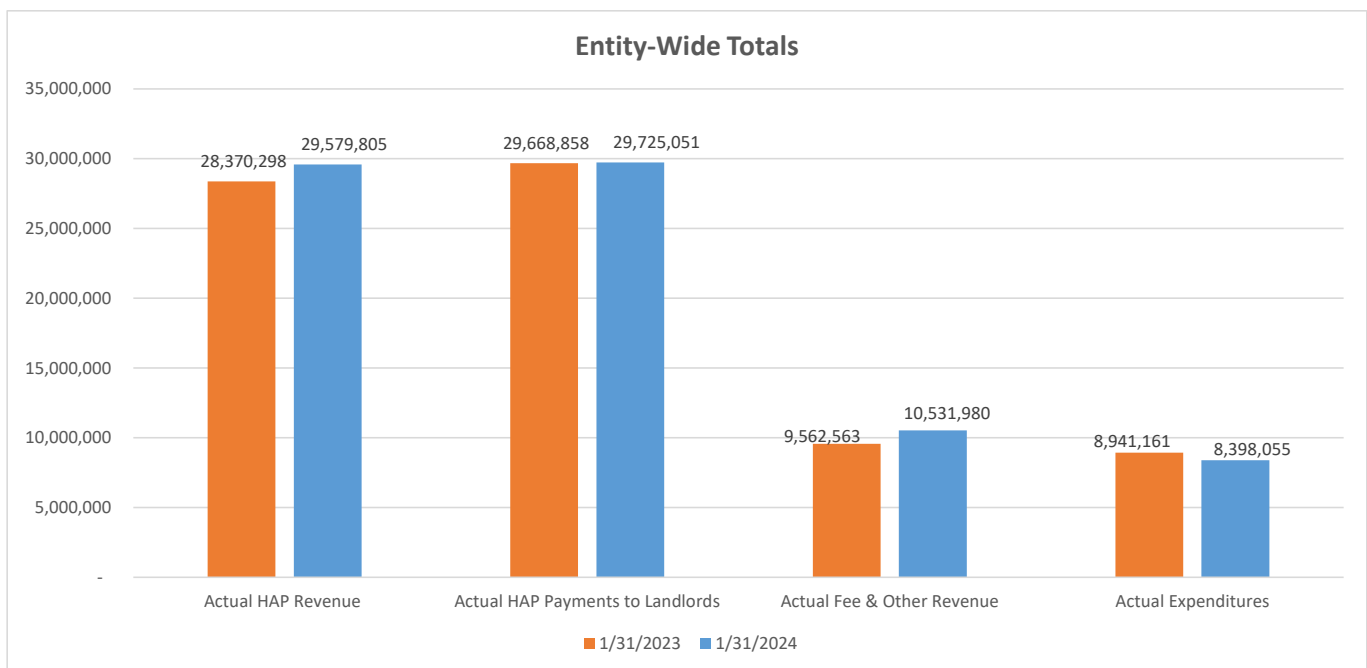
ENTITY-WIDE FINANCIAL REPORT
 FOR THE 7 MONTHS ENDED JANUARY 31, 2024

COCC	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual Revenue	1,247,623	1,279,827	(32,204)	-2.52%
Budgeted Revenue	1,276,274	1,389,728	(113,453)	-8.16%
Actual Expenditures	1,224,763	2,079,030	(854,267)	-41.09%
Budgeted Expenditures	1,812,611	2,261,994	(449,383)	-19.87%
Actual Unrestricted Surplus (deficit)	22,859	(799,204)	822,063	-102.86%



ENTITY-WIDE FINANCIAL REPORT
FOR THE 7 MONTHS ENDED JANUARY 31, 2024

Entity-Wide Totals	1/31/2024	1/31/2023	Variance	Variance Percentage
Actual HAP Revenue	29,579,805	28,370,298	1,209,506	4.26%
Budgeted HAP Revenue	31,946,865	29,942,438	2,004,427	6.69%
Actual HAP Payments to Landlords	29,725,051	29,668,858	56,193	0.19%
Budgeted HAP Payments to Landlords	30,048,572	29,727,954	320,619	1.08%
<i>HAP Surplus (Deficit)</i>	<i>(145,246)</i>	<i>(1,298,560)</i>	<i>1,153,313</i>	<i>-88.81%</i>
Actual Fee & Other Revenue	10,531,980	9,562,563	969,417	10.14%
Budgeted Fee & Other Revenue	9,848,585	9,361,637	486,948	5.20%
Actual Expenditures	8,398,055	8,941,161	(543,106)	-6.07%
Budgeted Expenditures	10,659,858	9,376,429	1,283,430	13.69%
<i>Unrestricted Profit (Loss)</i>	<i>2,133,925</i>	<i>621,401</i>	<i>1,512,523</i>	<i>243.41%</i>
Actual Surplus (deficit)	1,988,678	(677,158)	2,665,837	-393.68%



RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 6****February 27, 2024**

SUBJECT: Discussion and possible action on the Performance Evaluation of Dr. Hilary Lopez, RHA Executive Director, to consider her job performance, professional competence, character, and any alleged misconduct within the context of her performance. Discussion and possible action may include approval of an evaluation rating as well as any recommendation on the compensation and consideration provided to Dr. Lopez, which may have a fiscal impact, and which will be subject to her acceptance or rejection of the same. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 7

February 27, 2024

SUBJECT: Discussion and possible action on revisions to the employment contract between RHA and Dr. Hilary Lopez. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 8****February 27, 2024**

SUBJECT: Discussion and possible approval of the Material Change Policy that outlines construction and/or overall project changes that require Board of Commissioners review after initial approval. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

As RHA continues to engage in significant affordable housing rehabilitation and new construction projects, staff wants to ensure there is strong and consistent communication with the Board of Commissioners. It is important for the Board to have a thorough understanding of these projects and be aware of the challenges and material changes that may arise during predevelopment and construction. At the same time, staff believe it is important to fully utilize the expertise of contracted professionals and to streamline decision making to ensure that projects move forward on schedule.

With this aim in mind, staff have developed the following communication guidelines regarding material changes for rehab and new construction projects for board consideration. These guidelines were developed based on RHA's current procurement policy, the Nevada Housing Division's 2023 Qualified Allocation Plan, the Washoe County HOME Consortium's Operating Policies and Procedures, and discussion with the Board.

The Material Change Policy is attached for review.

Staff Recommendation and Motion:

The Board of Commissioners moves to approve the Material Change Policy as presented.

Material Change Policy – As of February 2024

General Communication:

The Development Department will provide ongoing updates on development projects as part of the Executive Director's report presented at monthly Board meetings. The development department shall prepare specific staff reports, as needed, in addition to more in-depth quarterly development updates.

Procurement & Contracting:

The Development Department shall manage the procurement of all contracts related to rehabilitation and new construction projects and ensure that all procurement activities follow RHA's policy and abide by applicable federal, state, and local laws. Per policy, contractor selection is determined through a competitive process. Commissioners are encouraged to participate in the evaluation process for RHA Requests for Qualifications (RFQs) and Requests for Proposals (RFPs).

Project Design:

Preliminary site plans and schematics shall be presented to the Board for input no later than 50 percent of architectural design. The final project design shall be presented to the Board as part of the Executive Director's monthly report, staff reports, and/or quarterly development updates. The board will be asked for input on the design as indicated above but shall not have the final approval of the design. Staff believes it is best for the design to be based on the expertise of the contracted design and construction professionals as well as the financial capacity of the project.

Project Financing and Budget:

Staff will provide regular updates to the Board regarding project scope and budget from concept through predevelopment. During this time staff and/or development partners will be actively identifying potential financing gaps. The Board is aware that preliminary pro forma represents estimated project costs and that costs will continue to be refined until financial closing. Should a financing gap be identified, the Executive Director will notify the Board to discuss potential sources of funding that may be available to fill the gap and/or project changes needed to bring the budget back into alignment with available resources. Given time is of the essence to meet closing deadlines, the Board may need to convene a special meeting to discuss items. If the Board cannot get a quorum for a special meeting within ten business days after the Executive Director's request, then the Executive Director, or their designee, is authorized to pursue potential sources of funding for Board consideration:

Staff will provide regular updates to the board and seek applicable approval for the following:

- Grant agreements, amendments, and other related documents such as deed restrictions.

- Financial agreements that require debt servicing such as mortgage loans and tax-exempt bonds

Once the project has completed plan review and has a conformed plan set, staff will seek competitive proposals from General Contractors or a Guaranteed Maximum Price (GMP) from the project's Construction Manager at Risk (CMAR). The final project budget will be based on the conformed plan set and construction costs from the accepted competitive proposal or GMP. This final budget will also be used to determine if all necessary financing has been secured. If a project has a financing gap at this point staff and development partners may use value engineering, budget revisions, deferral of development fee, or seek additional funding to cover the gap. Once the project budget and secured funding match, the project will financially close.

Change Orders:

Once a project has financially closed and is under contract, the Executive Director, or their designee, will be able to approve change orders and/or complete budget line adjustments as long as they are within the project's total budget and established hard and soft cost contingencies. Staff will provide project progress reports at monthly Board meetings and update Commissioners on the amount of contingency that has been utilized. If the Executive Director believes it is necessary, the Executive Director may ask the Board to consider replenishing the contingency amount.

If the project experiences a financial gap that exceeds the overall project budget and established contingencies, staff will present this information to the Board along with potential sources for gap financing. Staff will seek approval from the Board before accepting potential gap financing. Given time is of the essence during construction, the Board may need to convene a special meeting to discuss items. If the Board cannot get a quorum for a special meeting within ten business days after the Executive Director's request, then the Executive Director is authorized to accept potential gap financing.

Other Considerations:

Outside of the guidelines already discussed, staff shall notify the Board and seek applicable approval in the following circumstances:

- RHA and/or project partner(s) loses site control or rights of way.
- There is a change in project sponsor(s) and/or project partner(s).
- There is a dissolution, winding up of affairs, sale of assets, merger, or business combination of any project sponsor(s) and/or project partner(s).
- There is a change in any support service provider and/or change in the type of support services to be provided.
- Any other change that requires notification and/or written agreement by project funder(s).
- A change that substantially alters the general appearance or structural integrity of exterior walls, elevations, bulk, coverage, or floor area ratio.
- A variation, modification, addition, reduction, deletion, or change to the work that is valued at ten percent (10%) or more of the current contract sum.

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 9****February 27, 2024**

SUBJECT: Discussion and possible approval of an Option Agreement between RHA and Jacobs Entertainment (dba Reno Real Estate Development, LLC (RRED)) for a future property swap of the Sarrazin Apartments for a newly constructed apartment development with no less than 65 units, developed by RRED on APN 011-26-18, which is immediately adjacent to the east side of the Gibson Building on W. 2nd Street, and related matters thereto. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

At the January Board of Commissioners meeting, the Board approved executing an Option Agreement with Jacobs Entertainment (dba Reno Real Estate Development, LLC (RRED)) for a future property swap of the Sarrazin Arms Apartments for a newly constructed apartment development with no less than 65 units on APN 011-26-18, which is located immediately adjacent to the east side of the Gibson Building on W. 2nd Street in Reno, subject to the terms identified by the Board. Since that time, RHA's Executive Director, RHA's general counsel, and RRED's representatives and counsel have worked to draft the attached Option Agreement. The Agreement incorporates the terms and conditions identified by the Board which were:

- Jacobs Entertainment to construct, at its own expense and in compliance with all building and City requirements, a minimum new construction 65-unit building.
- Mix of 90% studios (similar in size to current units) and 10% one-bedroom units (approximately 550 square feet).
- Executive Director and/or their designee involvement in unit and building design. Board approval of final design prior to submission for plans review and permit.
- Minimum project amenities to include on-site management office, maintenance closet, outdoor barbeque area with picnic tables or approved alternative, bike storage area, and community meeting room.
- Minimum unit amenities to include dishwasher, waste disposal, and ceiling fans.
- Energy efficient appliances and systems.
- Minimum 30 on-site parking spaces and 30 additional parking spaces designated in perpetuity to RHA for its tenants and located no more than a ¼ mile from the property. RHA to review and agree to proposed off-site parking location(s) and, if within a parking structure, parking level.
- Rents compliant with RHA's expanded housing options rent policy (rents set at 80% of market area rent).
- \$50,000.00 annual option fee.

- Option through June 30, 2028; with one automatic six-month extension. Further extension is subject to Board approval.
- Mutual termination clause upon 90-day notice.
- RHA to maintain ownership and management control of Sarrazin Arms Apartments until the new building is completed and receives Certificate of Occupancy from the City of Reno.
- Minimum 30-day tenant relocation period once the building is available for occupancy.
- Jacobs to provide \$500/tenant to assist with moving costs. Tenant will be responsible for moving.
- Jacobs and RHA to “swap” properties within 60 days after last tenant is relocated.
- Jacobs and RHA to pay their own closing costs.
- RHA to deliver Sarrazin Arms in “as is” condition.
- RHA review and approval of press releases and media events.

The Option Agreement, along with its Exhibits, is attached for reference. In addition to the terms and conditions identified by the Board, it is important to note that if RRED should default, RHA’s sole remedy would be the total annual option fees received to that time. Should RHA default, RRED’s sole remedy would be the return of the total annual option fees received by RHA to that time.

Based on the Board’s prior action in January, staff have worked with Gaston & Wilkerson (now CloudTen), RHA’s property manager, to schedule and notice a meeting with tenants to discuss the future plans for Sarrazin Arms. Staff will continue to keep tenants informed as plans move forward.

Staff Recommendation and Motion:

The Board approve the Option Agreement between RHA and RRED as presented and authorize the Executive Director to execute the Agreement and Exhibits.

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 10****February 27, 2024**

SUBJECT: Discussion and possible approval of the Washoe County HOME Consortium's HOME-ARP Agreement for Railyard Flats for \$1,000,000. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

RHA was awarded \$1,000,000.00 in HOME-ARP funding from the Washoe County HOME Consortium (WCHC) for the construction of Railyard Flats. The HOME-ARP funding was included in the project sources previously shared with the Board. The closing sources and uses are included below for reference.

<i>Sources</i>		<i>Uses</i>	
HMNI	\$ 775,000	Hard Cost	\$ 5,622,810
HOME-ARP	\$1,000,000	Soft Cost	\$ 666,854
MTW/HUD Held Reserves	\$3,087,788	Reserves/Fees	\$ 522,251
Unrestricted/Business Activity	\$1,877,474		
Deferred Dev. Fee	\$ 71,653		
Total	\$6,811,915	Total	\$6,811,915

The HOME-ARP funding is provided as a deferred loan to grant at 0% interest to Railyard Flats, LLC. Per the loan terms, as long as Railyard Flats meets the required affordability restrictions for 30 years, the loan will be converted to a grant. To meet affordability requirements, Railyard Flats, LLC, is required to provide three (3) HOME-ARP units at the property targeted to households with incomes at or below 30% area median income. This consists of two (2) one-bedroom units and one (1) two-bedroom unit. These units were included in the pro forma previously shared with the Board.

RHA as the sole member of Railyard Flats, LLC, must execute a HOME-ARP agreement and associated documents in order for the funds to be made available to the project. RHA's counsel has reviewed the documents and his comments have been incorporated. The documents consist of:

- HOME-ARP Program Agreement between the WCHC and Railyard Flats, LLC
- Non-Recourse Promissory Note
- Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default
- Declaration of Restrictive Covenants (must be recorded).

RHA is seeking Board approval of the HOME-ARP Agreement for Railyard Flats and the associated documents. Furthermore, staff seek authorization for the Executive Director to sign, execute, and record all required documents. The documents are attached for your review.

Staff Recommendation and Motion:

Staff recommends that the Board of Commissioners approve the HOME-ARP Agreement and associated documents for Railyard Flats and authorize RHA's Executive Director to sign, execute, and record all required documents.

HOME-ARP PROGRAM AGREEMENT
 BETWEEN THE WASHOE COUNTY HOME CONSORTIUM
 AND
 RAILYARD FLATS, LLC

This HOME-ARP PROGRAM DEVELOPER AGREEMENT (hereinafter "**Agreement**") is made and entered into this ____ day of _____, 2024, by and between the Washoe County HOME Consortium (hereinafter "WCHC"), and RAILYARD FLATS, LLC, a Nevada limited liability company (hereinafter "**Developer**"), having its principal office located at 1525 E. Ninth Street, Reno, Nevada 89512.

WITNESSETH:

WHEREAS, the City of Reno (the "City") administers the HOME-ARP Investment Partnerships American Rescue Plan Program (hereinafter "**HOME-ARP**" or "**HOME-ARP Program**") on behalf of the WCHC, with the goal of expanding the supply of decent, safe, and affordable housing for qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations;

WHEREAS the WCHC requested applications on November 1, 2022, for projects to utilize funds to develop housing to be affordable to qualifying populations and the Developer responded by submitting an application for the project referenced in this Agreement, their application response is incorporated by reference herein; and

WHEREAS, Developer shall act as owner and developer of the Project located at 419 10th Street, Sparks, Nevada 89431, which consists of new construction of nine 1-bedroom units and six 2-bedroom units, for a total of fifteen units, all of which will be targeted to households with incomes at or below 60% of the Area Median Income. Developer will utilize HOME-ARP Funds as defined below to construct two 1-bedroom units and one 2-bedroom unit, all of which will be restricted to rent and occupancy by Qualifying Populations, on the following property located in Sparks, Nevada. "**Qualifying Populations**" are defined as (1) households experiencing homelessness, (2) households at risk of homelessness, (3) households fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking, and (4) other households requiring services or housing assistance to prevent homelessness or at greatest risk of housing instability. HUD Notice CPD-21-10.

WHEREAS, the WCHC desires to award HOME-ARP Funds in an amount not to exceed ONE MILLION DOLLARS (\$1,000,000.00) ("**HOME-ARP Funds**") to construct the Project on the previously referenced Property upon which the Developer will undertake construction of the Project;

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereinafter set forth in detail, the parties do hereby mutually agree as follows:

I. PROJECT DESCRIPTION

- A. Scope of Work. Developer shall undertake the Project and perform all activities in accordance with HOME-ARP rules, other applicable Federal, state, and local laws and regulations, and the terms and conditions contained herein.
- B. Site Location, Total Units, and Bedroom Sizes. On the properties, Developer shall construct two 1-bedroom units and one 2-bedroom unit of HOME-ARP-assisted units of affordable rental housing at the following locations in Sparks, Nevada (collectively, “**New Units**”):

419 10th Street, Sparks, Nevada 89431
 APN: 032-124-22

For these New Units, Developer shall lease to qualifying populations as defined in HUD Notice CPD-21-10 Section IV, and specifically, will restrict those two 1-bedroom units and one 2-bedroom unit to households with incomes 30% or less of the Area Median Income and experiencing severe cost burden (i.e. is paying more than 50% of monthly household income toward housing costs). At least 70% of HOME-ARP assisted rental housing units must be occupied by households in the qualifying populations. Units that are not restricted to occupancy by qualifying populations are subject to income targeting and rent requirements established under HUD Notice CPD-21-10 Section VI.B. and are only permitted in projects with rental units restricted for occupancy by qualifying populations.

- C. Eligible HOME-ARP Activities. Developer shall utilize HOME-ARP Funds for the following eligible activities: new construction of two 1-bedroom units and one 2-bedroom unit of affordable rental housing. Costs include hard and soft costs as permitted by the HOME-ARP program.

Designated HOME-ARP Units; HOME-ARP Subsidy. Two 1-bedroom units and one 2-bedroom unit shall be designated as HOME-ARP-Assisted Units (“**HOME-ARP-Assisted Units**”) and may be designated on a floating basis.

- D. Affordability. The Project must meet the Affordability Requirements as provided in Section II for the duration of the Affordability Period, as that term is defined below.

- E. Project Budget, Sources and Uses Statement, Pro Forma.

1. Approved Documentation. Developer has submitted the following documentation, upon which the WCHC has relied in the execution of this Agreement:

- a) Project budget;
- b) a sources and uses statement, including the amount, form, use, and terms of the HOME-ARP subsidy;
- c) an operating pro forma incorporating income from HOME-ARP rents for the

term of the Affordability Period as contained herein;

- d) initial rent schedule;
- e) a sample tenant lease;
- f) written tenant selection policies;
- g) tenant participation plan;
- h) final plans and specifications;
- i) an affirmative marketing plan which includes procedures for affirmatively marketing accessible units [5 or more units];
- j) waiting lists showing demand for units; and
- k) financial commitments for any other funding sources.

2. Cost Overruns. Developer shall be solely responsible for ensuring completion of construction, within budget, as identified on the sources and uses statement, approved as a part of this Agreement. Any cost overruns will be the sole responsibility of the Developer.

3. Construction Financing. Developer shall close on Developer's construction financing, if applicable, before requesting any draws under this Agreement.

F. Construction Schedule.

1. Begin Construction. Developer shall commence visible construction no later than February 14, 2024.

2. Substantial Completion. Developer shall substantially complete construction of the New Units no later than January 31, 2025. Completion of construction shall in all cases be subject to extensions for a period of time equal to the delay in completion caused as a result of an Excusable Delay. As used herein, the term "**Excusable Delay**" shall mean any delay in performance due to strikes, lockouts, or other labor or industrial disturbance, civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, lightning, earthquake, fire, hurricane, tornado, flood, washout, explosion, unusually inclement weather, moratorium or other unusual delay in obtaining necessary governmental permits or approvals (with Developer using commercially reasonable efforts to obtain the same) or any other cause whatsoever beyond the reasonable control of Developer (excluding financial inability to perform) to the extent that in each case of Excusable Delay, Developer has notified the WCHC in writing within ten (10) days after the occurrence of each Excusable Delay event and has specified in detail the circumstances constituting the Excusable Delay and the anticipated number of days by which performance is delayed as a result thereof. WCHC, in its sole and reasonable discretion, shall determine whether the delay is an Excusable Delay.

G. Construction Methods and Techniques. Developer shall be solely responsible for all construction, methods, techniques, and procedures and shall furnish all materials, equipment, machinery, tools and labor to perform the work required to complete construction. All materials shall be new and of good quality.

- H. Initial Occupancy. New Units shall be initially fully leased within six months following Project completion.
- I. Draw Requests. Only one draw request may be made each calendar month. Draw requests must be on forms and include information reasonably required by WCHC. Approved draw requests shall be processed and paid within sixty (60) days of submission to WCHC.

II. AFFORDABILITY REQUIREMENTS

- A. Qualification as Affordable Housing: Rental Housing. HOME-ARP-Assisted Units must be occupied by households that are eligible as Qualifying Populations, as defined in HUD Notice CPD-21-10 Section IV and must meet the requirements to qualify as affordable housing pursuant to HUD Notice CPD-21-10 Section VI.B.18 and 24 CFR 92.252, as provided herein (“**Affordability Requirements**”).

The HOME-ARP-Assisted Units will be restricted to Qualifying Populations with households having an annual income that is less than or equal to 30% of the area median income, as determined by HUD and experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs).

HOME-ARP-Assisted Units must primarily be occupied by households that meet the definition of one or more of the qualifying populations described in HUD Notice CPD-21-10 Section IV. At least 70% of HOME-ARP assisted rental housing units must be occupied by households in the Qualifying Populations. Units that are not restricted to occupancy by qualifying populations are subject to income targeting and rent requirements established under HUD Notice CPD-21-10 Section VI.B. and are only permitted in projects with rental units restricted for occupancy by Qualifying Populations.

- B. Changes in Income and Over-income Households:
Households will be screened at the time of initial screening to ensure they meet the definition of a HOME-ARP Qualifying Population. Pursuant to HUD Notice CPD-21-10 Section VI.B(1)(b), a qualifying household after admission retains its eligibility to occupy a HOME-ARP rental unit restricted for qualifying populations, irrespective of the qualifying household’s changes in income or whether the household continues to meet the definition of a qualifying population. As such, a unit restricted for a qualifying household remains in compliance with the HOME-ARP unit restriction as long as the unit is occupied by a qualifying household that met the definition of a qualifying population at the time of admission. Notwithstanding the foregoing, pursuant to HUD Notice CPD-21-10 Section VI.B(14), a household that met the definition of one of the HOME-ARP qualifying populations at initial occupancy and whose annual income at the time of income re-certification is above 50 percent of median income for the area but at or below 80 percent of the median income for the area must pay the rent specified in 24 CFR 92.252(a). A qualifying household that is not low-income at the time of income recertification (i.e., whose income is above 80 percent of the median income for

the area) must pay rent that complies with the over income regulatory requirements at 24 CFR 92.252(i)(2), which includes requirements applicable to HOME units that also have LIHTC restrictions.

Notwithstanding the foregoing, new tenants occupying HOME-ARP-Assisted Units will be required to meet the definition of a Qualifying Population, have a household income at or below 30% AMI and be experiencing severe housing cost burden.

C. Affordability Period.

1. Fifteen Years. The period of Affordability is fifteen (15) years (“**Affordability Period**”).
2. Affordability Period Commencement. The Affordability Period shall commence upon Project completion. For the purpose of the Affordability Period, the Project completion date shall be as provided in 24 CFR 92.2, which is the date in which the Project completion information has been entered into the disbursement and information system established by HUD (“**Project Completion Date**”).
3. Deed Restriction. The Affordability Requirements shall be secured by a deed restriction and a Declaration of Restrictive Covenant (“**Declaration**”) on each property in substantially the same form as the document attached as Exhibit B and shall be recorded with the Office of the Washoe County Recorder.
4. Additional Non-Federal Affordability Period. Notwithstanding the Federal minimum Affordability Period, the parties agree that the Project shall be subject to an additional non-federal period of affordability of 15 years (“**Additional Non-Federal Affordability Period**”), which shall run consecutive to the Affordability Period) and be secured by the Declaration.

D. HOME-ARP Assisted Units. The Project consists of 15 units, three of which shall be designated as floating HOME-ARP-Assisted Units (“**HOME-ARP- Assisted Units**”).

E. HOME-ARP Income Limits.

1. During the Affordability Period, all of the new units must be rented by qualifying populations or low-income households.
2. Developer is responsible for determining tenant household income and must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203(a)(1).
3. Developer shall be responsible for re-examination of tenant income on an annual basis, either on the anniversary date of the original income evaluation certification or at lease renewal. The HUD Exchange web site provides an income calculator that can be used to determine income for the HOME-ARP program. The link below

contains a guide for using this income calculator.

<https://www.hudexchange.info/incomecalculator/>

- F. HOME-ARP Rent Limits – Qualifying Populations. In no case can the HOME-ARP rents exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. Notwithstanding the foregoing, a unit that receives a Federal or state project-based rental subsidy and is occupied by a qualifying household that pays as a contribution to rent no more than 30 percent of the household's adjusted income, may charge the rent allowable under the Federal or state project-based rental subsidy program (i.e., the tenant rental contribution plus the rental subsidy allowable under that program). If a household receives tenant-based rental assistance, the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).
- G. HOME-ARP Rent Limits – Low-income Households. HOME-ARP rental units occupied by low-income households must comply with the rent limitations in 24 CFR 92.252(a). Notwithstanding the foregoing, when a household receives a form of Federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).
- H. Utility Allowances and Fees. If the tenant pays for utilities or other mandatory fees, Developer must deduct these costs from the established rent applicable to each project. The cost of utilities is based upon utility allowance approved by the WCHC.
- I. Adjusting Rents. Developer may adjust rents in accordance with annual HOME-ARP rent limits and updated utility allowances. HUD will publish the HOME-ARP rent limits on an annual basis.
- J. Changes in Income. A household that met the definition of one of the HOME-ARP qualifying populations at initial occupancy and whose annual income at the time of income re-certification is above 50 percent of median income for the area but at or below 80 percent of the median income for the area must pay the rent specified in 24 CFR 92.252(a).
- K. Guidance for When A Tenant Becomes Over-Income. A qualifying or low-income household that is not low-income at the time of income recertification (i.e., whose income is above 80 percent of the median income for the area) must pay rent that complies with the over income regulatory requirements at 24 CFR 92.252(i)(2).

III. TENANT SELECTION AND LEASE REQUIREMENTS

- A. Tenant Selection Procedures. Developer must adopt written tenant selection policies and

project-specific waitlist that:

1. Limits eligibility to households that meet one of the HOME-ARP qualifying populations definitions or low-income households in accordance with HUD Notice CPD-21-10 Section IV. Preferences for households in one or more of the HOME-ARP qualifying populations must comply with the WCHC's preferences and the WCHC's policies and procedures for applying those preferences, if any, and must not violate nondiscrimination requirements in 24 CFR 92.350;
2. Limits eligibility or gives a preference to a particular qualifying population or segment of the qualifying population;
3. Do not exclude an applicant with a voucher under the section 8 Housing Choice Voucher Program (24 CFR 982), or an applicant participating in HOME, HOME-ARP or other Federal, state or local tenant-based rental assistance program because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable tenant-based assistance document;
4. Gives prompt written notification to any rejected applicant of the grounds for any rejection; and,
5. Complies with the VAWA requirements as described in 24 CFR 92.359.

B. Project-Specific Waitlist – Low-Income Households. Developer must use a project-specific waitlist to select households to occupy units restricted for occupancy by low-income households in accordance with the tenant selection requirements of 24 CFR 92.253(d).

C. Lease Provisions.

1. Lease Requirements. Each household that occupies a HOME-ARP unit must have an executed lease that complies with the tenant protections required in with HUD Notice CPD-21-10 Section VI.B.19.
2. Termination of Tenancy. Developer shall not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP-Assisted Unit, except for allowable reasons: serious or repeated violations of the terms and conditions of the lease; violating Federal, state, or local law; or other good cause, all as reasonably determined by Developer. Tenants shall be served a written notice at least thirty (30) days prior to the termination of tenancy; said notice shall specify the grounds for the termination or refusal to renew the lease.
3. HOME-ARP Rents. Developer shall specify allowable HOME-ARP rents in tenant leases and shall notify tenants that rents may be adjusted in accordance with tenant income changes and as a result of changes in rent limits issued by HUD. Developer shall provide at least thirty (30) days written notice to the tenant prior to increasing the rent.
4. Prohibited Lease Terms. Developer shall not include federally prohibited lease clauses outlined at 24 CFR §92.253(b) in the lease with the tenant.
5. Compliance with Landlord-Tenant Laws. Developer shall comply with applicable

state and local landlord-tenant laws or shall require the management agent to do so pursuant to a written agreement.

6. Developer must comply with Tenant and Participant protections contained in CFR Subpart F §92.253.

IV. PROPERTY STANDARDS

- A. Property Standards. HOME-ARP rental units must comply with all property standards applicable to rental projects required in 24 CFR 92.251 paragraphs (a) new construction, (b) rehabilitation projects, (c)(1) and (2) acquisition of standard housing, (e) manufactured housing, and (f) on-going property condition standards.
- B. New Units. Developer shall comply with the applicable standards for new construction as specified in 24 CFR §92.251(a)(2) property standards.
- C. Sustainability. To the extent practicable, the Project should demonstrate responsible, quality construction with respect to energy efficiency and environmental impact. Developer shall construct New Units to meet Energy Star and HUD Energy Efficiency building standards and receive the Energy Star label or a Green Building Permit.
- D. Accessibility. Developer shall incorporate disability features outlined below in each building in the project.

•	A step-free entrance with a threshold of not more than one-half inch from driveway, sidewalk, or other firm route into the main floor
•	A minimum of 32 inches of clear passage space for every interior passage door (including bathrooms) and exterior doors that provide a step-free entrance
•	One full bathroom for the fifteen (15) individual units with clear floor space of at least 30" x 48"
•	L shaped kitchen in each building
•	Lever handles on doors and faucets
•	Light switches 38" above the floor
•	Electric outlets 18" above floor
•	Thermostat controls 44" above floor
•	Reinforced walls to accommodate grab bars and baths with seats in the baths in the seven (7) individual units in each building
•	Ample clear floor space for maneuvering at fixtures

Developer shall construct one (1) unit(s) in the building to meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 ("**Accessible Unit**") and one (1) unit in the building shall be accessible to sensory impaired individuals ("**Sensory Unit**"). All the Accessible Units shall be made available to disabled residents who are able to live independently.

- E. Lead-Based Paint. Developer shall comply with HUD's Lead Safe Housing Rule at

24 CFR Part 35, Subparts A, B, J, and R.

- F. Property and Casualty Insurance. Developer agrees to keep all buildings or other improvements now on, or to be hereafter erected on the Property insured with an insurance company or companies licensed to sell property and casualty insurance within the State of Nevada with a current A.M. Best rating of no less than A, for maximum insurable value, naming the WCHC as an additional insured, until Developer's obligations to the WCHC are fully complete, and to have the loss, if any, made payable on the policy, or policies, to the WCHC. The WCHC shall have the right to use all such insurance proceeds to satisfy all of the Developer's obligations to the WCHC.
- G. Commercial General Liability Insurance. Developer agrees to maintain comprehensive commercial general liability insurance with an insurance company or companies licensed to sell public liability insurance within the State with a current A.M. Best rating of no less than A naming the WCHC as additional insured covering claims for bodily injury, death and property damage, in the amount of at least two million dollars aggregate and at least one million dollars for any occurrence.
- H. Worker's Compensation. Developer shall maintain statutory worker's compensation and employer's liability coverage for all employees who will be engaged in the performance of the contract, including special coverage extensions where applicable.
- I. Flood Insurance. If the Property is ever designated as part of a flood plain or otherwise comes under the requirements of the Federal Flood Insurance Act of 1968, as amended, or any similar law, Developer shall maintain flood insurance naming the WCHC as additional insured.
- J. Notice of Cancellation. Developer agrees that all insurance policies as above required shall provide for not less than thirty (30) days prior written notice to WCHC of cancellation, termination or material amendment of such policies. Developer is responsible to notify WCHC within five (5) business days of any cancellation, non-renewal or material change that affects required insurance coverage. In the event Developer fails to keep in effect at all times the specified insurance coverage, WCHC may, in addition to other remedies, terminate this Agreement upon the occurrence of such event.
- K. Proof of Insurance. Developer shall at all times provide to WCHC current written confirmation from the appropriate insurance company of compliance with the provisions of the above paragraphs, which shall include a copy of the applicable policy or policies, including all insuring pages, riders or endorsements. It is Developer's obligation to furnish all such information on a current basis; and, if WCHC is not in receipt of such, it is entitled to act on the presumption that such does not exist, and Developer is not in compliance with this Agreement.
- L. Taxes and Assessments. Developer further agrees to pay all taxes and assessments on

the Property, general or special when due, or to reasonably contest the same and prevail or pay such tax or assessment pursuant to the same, and, upon demand of WCHC, to pay, discharge, or remove or to reasonably contest the same and prevail or pay such tax or assessment pursuant to the same, any and all liens which may be hereafter placed against said Property.

- M. Protection of Property. Developer agrees that should WCHC be required, or deem it reasonably necessary, to expend any funds to protect or preserve the Property, Developer shall immediately, and in any event within ten (10) days, reimburse WCHC in full for such amounts expended, and until reimbursed, such amounts, shall bear the highest rate of interest allowed by law.

V. PROVISIONS RELATED TO OTHER FEDERAL REQUIREMENTS

- A. Compliance with Federal and State Laws and Regulations. Developer shall comply with all applicable Federal and State laws and regulations in the performance of this Agreement.
- B. Displacement, Relocation, and Acquisition. Developer will take all necessary steps possible to minimize displacement in the Project. To the extent feasible, tenants displaced or relocated as a result of the development of the Project must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the complex upon completion of the Project. In the event that relocation is necessary, developer shall comply with HOME regulations at 24 CFR §92.353. With regard to relocation assistance for displaced persons, developer shall also comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”) (42 U.S.C. 4201-4655) and 49 CFR part 24.
- C. Environmental Review. The WCHC has performed the necessary obligations related to this section.
- D. Fair Housing and Equal Opportunity. Housing shall be made available without discrimination based on race, color, national origin, age, sex, religion, familial or marital status, disability, sexual orientation, or gender identity. Further, Developer shall not discriminate against applicants based on participation in a direct rental subsidy program, such as Section 8.

The following fair housing and nondiscrimination laws and regulations shall apply to the Agreement (each to the extent applicable):

- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended and implementing regulations at 24 CFR part 100;
- Title VI of the Civil Rights Act of 1964;
- The Age Discrimination Act of 1975, as amended and implementing regulations at 24 CFR part 146;
- Executive Orders 11063 and 12259 – Equal Opportunity in Housing, and

- implementing regulations at 24 CFR part 107;
- Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- Title II of the American Disabilities Act; and
- Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule.

E. Violence Against Women Act. Developer shall comply with the provisions of the Violence Against Women Act (“VAWA”). By way of example, but not by way of limitation, VAWA provides that “an applicant for or tenant of housing assisted under a covered housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.” 42 U.S.C. § 14043e(b)(1). Further, Developer shall provide tenants with the notice of rights as provided in 42 U.S.C. § 14043e(d). Developers must comply with victims’ right to report crime and emergencies as provided in 34 U.S.C § 12495.

F. Nondiscrimination in Employment. Developer shall not discriminate against any employee or applicant for employment because of race, color, national origin, sex, or religion, in accordance with Executive Order 11246, as amended and implementing regulations at 41 CFR part 60. In the event Developer employs fifteen (15) or more employees, Developer is prohibited from discriminating against any employee or applicant with a disability, in accordance with Title I of the Americans with Disabilities Act of 1990. Developer shall include nondiscrimination notices in all job postings and post in a visible place in the office.

G. Labor.

1. HUD Section 3 Requirements. To the greatest extent feasible, Developer shall make an effort to provide opportunities for employment and training for lower income residents within the project area, and to award contracts for work in connection with the Project to business concerns which are located, or owned in substantial part, by persons residing in the area of the project, as described in 24 CFR § 135.
2. Davis Bacon and Related Acts. Developer will be constructing 15 units in one building, so the provisions of Davis Bacon will apply.
3. Minority, Women and Small Business Enterprise Requirements. The Developer shall take necessary affirmative steps to assure that minority firms and women's business enterprises are used whenever possible. Such efforts shall include, but shall not be limited to:
 - a. Placing qualified small, minority and women business enterprises on solicitation lists;
 - b. Ensuring that small, minority and women business enterprises are solicited

- whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority and women business enterprises;
 - d. Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small, minority and women business enterprises; and
 - a. Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and State and local governmental small business agencies.
4. Other Federal Labor Requirements. Developer shall comply with the following laws, or shall require such compliance from its partners pursuant to a construction contract or other written agreement:
- a. Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. § 327-333);
 - b. Copeland Anti-Kickback Act (40 U.S.C. § 276c);
 - c. Fair Labor Standards Act, as amended (29 U.S.C. § 201, et seq.).
- H. Conflict of Interest. No owner, Developer, or officer, employee, agent, or consultant thereof may occupy a HOME-ARP-Assisted Unit in the Project. This provision does not include an employee or agent of the owner or Developer who occupies a HOME-ARP-Assisted Unit as the project manager or maintenance worker.
- I. Religious Activities.
- 1. Developer is prohibited from using funds provided herein or personnel employed in relation to this Project for political activities and sectarian or religious activities.
 - 2. If Developer is, or may deemed to be, a religious or denominational institution or organization, it agrees that:
 - a. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
 - b. It will not discriminate against any person applying for housing on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
 - c. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of shelter and other eligible activities.

VI. FINANCIAL MANAGEMENT

- A. Accounting Standards. Developer agrees to maintain books, records, documents and other evidence directly pertinent to performance of work in accordance with comply with 24 CFR § 92.508(3), (4) and (7), as applicable and comply with 2 CFR § 200, Subpart D and agrees to adhere to the accounting principles and procedures required therein, utilize

adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles. Developer shall administer its program in conformance with 2 CFR § 200, Standards for Financial and Program Management, Cost Principles and Audit Requirements, as detailed in Subparts D, E, and F. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Audits & Inspections. Developer shall comply with audit requirements contained in 2 CFR, Subpart F which requires Developer to have an annual audit conducted within nine (9) months of the end of their fiscal year, if Developer has an aggregate expenditure of more than \$750,000 in federal funds in a fiscal year. Developer further agrees to submit a copy of this audit to the WCHC within thirty (30) days of receipt from the auditor. Any deficiencies noted in audit reports must be fully cleared by the Developer within thirty (30) days after receipt of same.

Developers that are not required to perform an audit per the 2 CFR, Subpart F requirements must have and maintain adequate internal financial/cash management principles and reporting policies.

D. Program Income. Program income as defined in 24 CFR 92.2 is income received by the Developer that is generated by activities carried out with HOME-ARP funds made available under this contract. In the event that any program income is received by the Developer, the program income shall be returned to the WCHC.

VII. PAYMENT, TERMS AND CONDITIONS

A. The WCHC shall provide HOME-ARP Funds not to exceed ONE MILLION DOLLARS (\$1,000,000.00 for costs related to the Project. HOME-ARP Funds shall be secured by a Deed of Trust in the amount of ONE MILLION DOLLARS (\$1,000,000.00) on the Property. The Deed of Trust shall be subordinate to construction/permanent financing. The Deed of Trust shall be released when the terms of the loan, including but not limited to, compliance with the Affordability Requirements are satisfied.

1. HOME-ARP Funds. The HOME-ARP Funds shall not exceed ONE MILLION DOLLARS (\$1,000,000.00) and shall be in the form of a zero percent (0%) interest deferred payment forgivable loan for a term of thirty (30) years (“Loan Term”). In no event shall the Loan Term be less than the Affordability Period. Developer shall sign a Promissory Note for each property. The Deed of Trust and Declaration of Restrictive Covenant remain in effect throughout the entire Loan Term.

2. Developer Fees. Developer shall receive no “**Developer Fees**” from the HOME-ARP Funds.

a. Intentionally Omitted.

- B. Developer shall submit a request for reimbursement for eligible expenses no more frequently than monthly. Requests for reimbursement may be submitted on a payment request form provided by City. All payment requests shall be submitted to: HOME-ARP Program, Washoe County HOME Consortium, 1 East 1st Street, Reno, Nevada 89501.
- C. Developer shall provide documentation of direct costs, such as invoices or receipts.
- D. Approval of any request for reimbursement is conditional upon the submission of required documentation, inspection and approval of work performed, including but not limited to progress reports as required by the WCHC.
- E. WCHC shall make careful review of all requests for reimbursement. So long as each request conforms to the terms and intent of this Agreement, WCHC shall reimburse funds in a timely manner, which shall be within thirty (30) business days of Developer's submission of a complete reimbursement request.
- F. Five percent (5%) of the total award shall be withheld as retention and shall be released upon WCHC's receipt of all items listed below:
 - 1. Certificate of Use & Occupancy;
 - 2. Submission of all reports and documentation described in Section IX(A)(1) and (2) below for the HOME-ARP-Assisted Units through the Project Completion Date;
 - 3. Submission of beneficiary data for all occupants of HOME-ARP-Assisted Units as described in Section IX(A)(2) below as of the Project Completion Date;
 - 4. Release of all construction liens, as evidenced by an updated title policy (if applicable);
 - 5. Recorded deed restriction for the Affordability Requirements on each property (unless provided sooner), a form of which is attached hereto as Exhibit B
 - 6. Evidence that Developer has complied with Sustainability and Accessibility Requirements, as described in Section V;
 - 7. Documentation of the percentage of work performed by Disadvantage Business Enterprise and Section 3 Businesses; and
 - 8. Submission of Project Cost Certification in the form of a project specific Profit and Loss Statement.
- G. The Agreement, Deed of Trust, Note and Declaration shall be collectively referenced herein as "**Loan Documents.**"

VIII. REPORTING AND RECORD-KEEPING REQUIREMENTS

A. Reporting Requirements.

1. Reporting During Development Process. Developer shall provide quarterly progress

reports, beginning with the quarter ending March 31, 2024.

2. Reporting Until Commencement of the Affordability Period. No later than the tenth (10th) of each month during the initial lease up of the HOME-ARP Assisted Units, Developer shall provide the following information regarding any Home-Assisted Unit leased during that month.

1. Each HOME-ARP Assisted Unit (identified by address and unit number);
2. Unit Size (bedrooms)
3. Household size;
4. Household income level;
5. Race, if known to Developer;
6. Special needs (i.e. whether the household includes a person with a disability, etc.), if known to Developer;
7. Amount of rent and tenant-paid utilities; and
8. Other governmental housing assistance provided to the tenant.

3. Reporting During the Affordability Period. During the Affordability Period, Developer shall provide the following information no later than May 31st of each year for the period ending March 31st of each year:

1. Occupancy Report of HOME-ARP-Assisted Units, including the following:
 - All items listed in Section IX(A)(2) above; and
 - Date of last income recertification.
2. Financial Report for the Property, including the following:
 - Gross receivable rent for the Property as of a specific date;
 - Actual rent collections for the Property;
 - Tenant accounts receivable for the Property;
 - Accounts payable for the Property;
 - Number of and reasons for vacancies for the Property; and
 - Units off-line.
3. Property Maintenance & Condition Report, including the following:
 - List of findings from the Property's last physical inspection by Developer or management agent or other governmental entities (if any) regarding the Property, including any outstanding code violations identified by such inspection, and a status update.
 - A certification that each building and all HOME-ARP-assisted units in the project are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the WCHC to meet requirements of 24 CFR § 92.251 during the project's affordability period.

3. Other Reports. WCHC retains the right to request additional information and the

right to change reporting requirements regarding HOME-ARP-Assisted Units as reasonably necessary.

B. Record-Keeping Requirements

1. Developer shall maintain the following records regarding HOME-ARP-Assisted Units (“**Project Records**”), or shall require the management agent to do so pursuant to a management agreement or other written agreement:
 - Project audits;
 - Waiting list procedures, waiting lists, and tenant preference requirements;
 - Budget files (e.g., project finances, capital expenditures, and projections);
 - Tenant files (e.g., applications, leases, income verifications, relevant notices);
 - Unit records (e.g., rents, vacancies, accessibility);
 - Property records (e.g., maintenance, property inspection reports);
 - Affirmative marketing records; and
 - Employment records with respect to Developer and/or management agent.
2. Project records must be maintained retained for five (5) years after the project completion date as stated in in HUD Notice CPD-21-10 Section VIII.F.7.
3. Tenant income, rent, and inspection records must be retained for the most recent five-year period, until five (5) years after the Affordability Period terminates, in accordance with 24 CFR § 92.508(c).
4. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, applicable records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
5. WCHC, HUD, the Comptroller General of the United States, and any of their representatives, retain the right to access all reports and records relating to the Project and to conduct on-site inspections of records at any time during normal business hours.

IX. ENFORCEMENT

- A. Right to Inspect Properties and Units. WCHC retains the right to conduct on-site inspections of the Project during the development process and during the Affordability Period during normal business hours.
 1. Inspections During Development Process. WCHC retains the right to monitor the construction process with on-site inspections to verify sound and safe construction in accordance with approved plans.

2. Inspections During the Affordability Period. WCHC retains the right to conduct inspections during the Affordability Period no less than annually to verify the accuracy of submitted reports and to conduct physical inspections of the Project to determine that the Property is being maintained in standard condition in accordance with applicable property standards.
- B. Developer Default. The following shall constitute an event of default (“**Event of Default**” or “**Default**”) by Developer under this Agreement, which Default shall be susceptible to cure as provided in Subsection C below:
1. Failure to maintain the Project or New Units in accordance with applicable property standards.
 2. Failure to meet the Affordability Requirements during the Affordability Period.
 3. Failure to comply with HOME-ARP requirements as outlined in this Agreement.
 4. Failure to maintain Developer status for the duration of the affordability period. If Developer fails to maintain Developer status for this term, title to the project must be transferred to another active Developer of all funds must be repaid.
 5. Use of funds for activities or uses that are not HOME-ARP-eligible costs as described in this Agreement.
 6. Material breach of the terms and conditions of this Agreement by the Developer or any of its Employees, Contractors, or Agents.
- C. Notice of Default. WCHC shall provide written notice of Default to Developer and shall provide Developer an opportunity to take corrective action within thirty (30) days after receipt of written notice from WCHC; provided, however, that such thirty (30) day period shall be extended for an additional thirty (30) days in the event Developer has initiated and is diligently pursuing a cure to the satisfaction of WCHC; provided, however, in the event it will require more than thirty (30) days to cure default, then the cure period shall be extended so long as Developer diligently prosecutes such cure to completion to the satisfaction of WCHC. Corrective action shall include, but is not limited to, submitting a Corrective Action Plan to WCHC for approval that provides a timetable for correcting the default and details the activities that are necessary to correct the circumstances that constitute the default.
- D. Remedies. If Developer fails to cure the Default as provided above, WCHC shall have the following Remedies:
1. WCHC may terminate this Agreement.
 2. WCHC may demand repayment for and Developer shall pay to WCHC HOME-ARP Funds not used for the purposes provided in this Agreement.
 3. WCHC may demand repayment of and Developer shall pay to WCHC HOME-ARP Funds if the HOME-ARP-Assisted Units do not meet the Affordability Requirements during the Affordability Period.
 4. WCHC may pursue other remedies as may be available at law or in equity.

X. GENERAL PROVISIONS

- A. Certification Regarding Federal Assistance. Developer certifies that the federal financial assistance amounts contained in the approved Sources and Uses Budget are the only amounts of federal assistance that is being contributed to this project. Developer further certifies that if other governmental assistance is sought in the future, Developer will promptly notify WCHC.
- B. Certification Regarding Lobbying. Developer certifies, to the best of its knowledge and belief, that:
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.
- C. Duration of Agreement. This Agreement shall be effective upon the date of execution hereof and shall remain in effect for the duration of the Affordability Period and until the terms of the HOME-ARP loan are satisfied, whichever is later.
- D. Termination. If through any cause, Developer shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if Developer shall violate any of the covenants or stipulations of this Agreement, such that such an Event of Default exists and remains uncured, WCHC shall thereupon have the right to terminate this Agreement by giving written notice to Developer of such termination and specifying the effective date thereof as provided herein.
- E. Entire Agreement and Modification. This instrument contains the entire agreement between WCHC and Developer. Oral changes of it will have no effect. Any prior information, discussions or agreements are merged herein and barred hereby. This Agreement may not be amended or modified orally, by course of dealing, waiver or estoppel. This Agreement may not be modified or amended except in writing signed by all parties.
- F. Conflicts. Notwithstanding anything to the contrary herein, WCHC acknowledges that the HOME-ARP-Assisted Units may also be assisted with other government funds. To

the extent that Developer becomes aware of any conflict between the requirements of this Agreement and the requirements applicable to other governmental funds, Developer shall propose a resolution of such conflict to WCHC for WCHC's approval, which approval shall not be unreasonably withheld.

- G. License and Insurance Requirements. Developer shall comply with all applicable licensing requirements and associated business regulations, whether federal, state, or local. Developer shall purchase and maintain worker's compensation insurance as required by state law.
- H. Employees, Contractors, and Agents. Pursuant to one or more written agreements, Developer shall require Developer's officers, managers, employees, contractors, subcontractors, agents, representatives, or any other person or entity hired, engaged, or otherwise used by Developer to carry out the Developer's obligations under this Agreement ("**Employees, Contractors, and Agents**") to comply with the applicable requirements in this Agreement in all respects, including but not limited to following all applicable laws and licensure requirements. Pursuant to one or more written agreements, Developer shall require that the Employees, Contractors and Agents are aware of and abide by any applicable terms of this Agreement. Developer shall be responsible for any failure of the Employees, Contractors, and Agents to adhere to the applicable terms of this Agreement. Without limiting the foregoing, such responsibility shall not be deemed to waive any indemnification rights or other rights that Developer may have under other agreements with such Employees, Contractors, and Agents.
- I. Indemnification. Developer agrees to indemnify and hold harmless WCHC and its agents, staff, employees, officers, directors, affiliates, successors and assigns, of and from any and all claims, demands, debts, contracts, expenses, causes of action, lawsuits, damages, and liabilities of every kind and nature, including any claims of owner or employee negligence, whether known or unknown, in law or equity, including any claims against and/or regarding the Developer and its Employees, Contractors, and Agents, which they have, ever had or may have ("**Claims**"), arising from or in any way related to Developer's obligations under this Agreement with respect to the Project. This includes reasonable attorneys' fees WCHC or City may incur in enforcing this paragraph. In addition, this indemnification and agreement to pay WCHC or City's reasonable attorneys' fees expressly includes any Claims that may arise from any act or failure to act by any Employees, Contractors, and Agents. However, this indemnification does not apply to any acts of gross negligence, or intentional, willful or wanton misconduct of WCHC or City.
- J. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties. Developer may not assign its interests or obligations under this Agreement without the express, prior written consent of WCHC.
- K. Notices. All notices under this Agreement shall be in writing and sent by certified mail or hand-delivered to the addresses listed below for each party.

If to Developer:

Railyard Flats, LLC
Attn: Hilary Lopez, Ph.D., Executive Director of Housing Authority of the City of Reno
1525 E. Ninth Street
Reno, Nevada 89512

If to WCHC:

Attn: Elaine Wiseman
HOME-ARP Program
Washoe County HOME Consortium
c/o City of Reno
1 East 1st Street
Reno, Nevada 89501

- L. Venue. In the event of a dispute or litigation arising out of this Agreement, it is understood and agreed that this Agreement was executed and performed in Washoe County, Nevada, and as such, it is agreed by both parties that venue for said litigation, including an action for Declaratory Judgment, will be in Washoe County, Nevada.
- M. Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.
- N. Attorney Fees. If at any time it is necessary for WCHC or City to undertake any action, whether or not such action involves litigation, to enforce the terms of this Agreement or any documents or exhibits attached hereto or incorporated herein, Developer agrees to pay all reasonable costs of such enforcement by WCHC or City including reasonable attorney's fees and court costs.
- O. Certification. The person executing this Agreement on behalf of Developer hereby personally certifies that the representations and warranties made herein are true and correct as of the date hereof and that such person is a duly appointed officer of Developer as indicated below, and that Developer shall be lawfully bound hereby.
- P. Counterparts. This Agreement may be executed in counterparts.

[Signature page follows]

IN WITNESS WHEREOF, WCHC and the Developer have caused this Agreement to be duly executed as of the date first above written.

City:

City of Reno

By: _____
Doug Thornley, City Manager

Date: _____

APPROVED AS TO FORM

By: _____
City Attorney

Developer:

Railyard Flats, LLC,
a Nevada limited liability company
By: Housing Authority of the City of Reno
Its: Managing Member
By: Hilary Lopez, Ph.D.
Its: Executive Director

signature

Date: _____

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED RENO, IN THE COUNTY OF WASHOE, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in the City of Sparks, County of Washoe, State of Nevada, described as follows:

All that real property depicted as Parcel A, and lying within the exterior boundary thereof, as shown on REVERSION TO ACREAGE TRACT MAP FOR MICHAEL J. MCGONAGLE, MINH D. NGUYEN & DANIEL LAZAARESCHI, filed in the office of the County Recorder, Washoe County, State of Nevada on July 26, 2022, as File No. 5321064, Map No. T5499, Official Records.

APN: 032-124-22

Document No. 5321064 is provided pursuant to the requirements of Section 6, NRS 111.312

EXHIBIT B
DECLARATION OF RESTRICTIVE COVENANTS

**NON-RECOURSE PROMISSORY NOTE
(Railyard Flats; HOME-ARP Written Agreement)**

\$1,000,000.00

Interest Rate: 0%

1. Parties and Definitions. This Non-Recourse Promissory Note (“**Note**”) is by and between the following parties and definitions:

<i>Date</i>	As of
<i>Project</i>	Railyard Flats 419 10 th Street Sparks, Nevada 89431
<i>Developer/ Borrower</i>	Railyard Flats, LLC, a Nevada limited liability company 1525 E. Ninth Street Reno, Nevada 89512 Authorized Representative: Hilary Lopez Ph.D., Executive Director of Housing Authority of the City of Reno, and each successive owner of the Property.
<i>WCHC/ Lender</i>	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 12 th Floor P.O. Box 1900 Reno, Nevada 89505
<i>Loan Amount</i>	\$1,000,000.00 (One Million and 00/100 US Dollars)
<i>Interest See ¶4</i>	0% as provided in Section 4
<i>Repayment Schedule See ¶5</i>	The HOME-ARP Program Agreement is a loan to grant agreement. Unless the loan is completely converted to a grant, the entire unpaid balance of principal and interest is due and payable on the Final Maturity Date of January 30, 2054, unless sooner accelerated under Sections 5 or 7 of this Note.

2. Recitals.

A. Pursuant to the HOME-ARP Program Agreement Between Washoe County HOME
Promissory Note

Consortium and Railyard Flats, LLC (“**HOME-ARP Program Agreement**”) executed contemporaneously herewith, Lender has advanced the Loan Amount to Borrower to provide funding for the new construction of the Project.

B. Borrower, contemporaneously with closing of the construction loans to be made by the Senior Lenders (as defined in the Loan Agreement), shall execute that certain Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default (“**Deed of Trust**”) for the benefit of Lender, encumbering the Project property to secure the payment of this Note.

C. Borrower, contemporaneously with closing of the construction loans to be made by the Senior Lenders, shall execute a Declaration of Restrictive Covenants (the “**Declaration**”) which establishes affordability requirements for the Project as required by regulations of the U.S. Department of Housing and Urban Development under the HOME Investment Partnerships Program (24 CFR Part 92).

NOW THEREFORE in exchange for the loan advance, Borrower agrees as follows.

3. **Promise to Pay.**

FOR VALUE RECEIVED, Borrower promises to pay to the Order of WCHC at the address designated above in lawful money of the United States, the principal amount specified above or so much thereof as has actually been advanced to Borrower by Lender, under the following terms and conditions.

4. **Interest; Late Fees**

Borrower agrees that interest shall accrue on the unpaid principal balance, commencing on the date that the Loan Agreement is executed, at the rate specified above, interest compounding annually based on actual days elapsed. Accrued interest will be accounted for separately and not added to the unpaid principal balance.

There are no late fees.

5. **Repayment Schedule.**

a. Definitions.

Borrower’s Fiscal Year is the fiscal year specified in the Partnership Agreement.

Operating Cash Flow has the meaning set forth in the Partnership Agreement.

b. Intentionally Omitted.

c. Balance due on acceleration or Final Maturity. All unpaid principal and interest are due and payable without demand on the Final Maturity Date specified in

Section 1 above unless sooner demanded under subsection 5 (d) of this Note or because of default under subsection 7 (a) of this Note, or unless forgiven.

- d. Special Acceleration. The entire unpaid balance of principal and interest become due and payable on demand by Lender if Borrower fails to construct the Project; or if Borrower fails to provide accounting as required by subsection 5 (e) of this Note.
- e. Borrower's Reporting and Record Inspection Requirements. Within 90 calendar days of the conclusion of Borrower's Fiscal Year, Borrower shall provide an accounting to Lender of the total revenues received, total expenses paid, and each distribution of Cash Flow during that fiscal year to any member, affiliate or lender of Borrower and the amount of each distribution to be made during the upcoming fiscal year. Borrower shall make available for inspection and audit by Lender the Borrower Tax Returns and books and records of Borrower.
- f. Payments shall be made at the Finance Office of the City of Reno, 1 East First Street, 9th Floor, P.O. Box 1900, Reno, Nevada, 89505.

6. Prepayment and application of payments.

- a. Prepayment of all or part of the amounts due may be made at any time without any penalty or fee.
- b. All payments, including prepayments, shall first be applied to pay accrued interest due, then reasonable costs of collection, and then to reduce the unpaid principal balance.

7. Default; remedies; nonrecourse provisions.

- a. Default: A "default" is automatically deemed to occur in any of the following events/circumstances: (i) a payment is not made when due (written notice of such failure will be provided, unless such notice would violate bankruptcy or other laws, and if notice is given, Borrower will then have thirty (30) days to cure the default); (ii) there occurs a breach of any material term, condition, promise or representation herein, (written notice of such failure will be provided unless such notice would violate bankruptcy or other laws, and if notice is given, Borrower will then have thirty (30) days to cure the default); (iii) there occurs a default by Borrower under the Loan Agreement, or the Deed of Trust which breach is not cured within the time frames specified therein (additional notice and opportunity to cure will not be provided under this Note); or (iv) Borrower defaults under the Declaration and such default is not cured within the time frame specified therein (additional notice and opportunity to cure under this Note will not be given).
- b. Intentionally Omitted.
- c. Remedies. In the event of a default, as defined in Section 7(a) above and subject to such right to cure as provided herein, Lender may exercise any of the following remedies or

rights in addition to those remedies and rights afforded by Nevada law or equity, and each of the remedies and rights are cumulative and the election of one remedy is not to the exclusion of any other right or remedy:

(1) The entire unpaid principal balance and accrued interest of the Loan evidenced by this Note and all reasonable costs of collection immediately become due and payable without advance notice, demand, presentment, or protest (all of which are waived by Borrower);

(2) Lender may exercise any of its rights and remedies under the Deed of Trust;

(3) Lender may seek injunctive relief for violations of the Declaration.

d. Non-recourse Provisions. Except as provided in §24 (b) (9) of the Deed of Trust, neither Borrower nor any of its partners, members and/or managers shall have any personal liability under this Note or the Deed of Trust and Lender's only recourse for the satisfaction of the indebtedness or for the performance of such obligations shall be the Lender's exercise of its rights and remedies with respect to the project Property and any other collateral held by Lender as security for the indebtedness.

8. General Provisions.

a. Waivers. Any lack of diligence by Lender or any failure to exercise any right or remedy, or any partial exercise of a right or remedy shall not constitute a waiver of the default or any right or remedy unless such a waiver is expressed in writing by an authorized agent of Lender. Any waiver applies only to the specific default, or right or remedy indicated therein, and does not operate as a continuing waiver of the default, right or remedy or of any other or future defaults, rights or remedies.

b. Attorney's Fees and Costs of Collection. In the event of a default by Borrower hereunder, Borrower agrees to pay all reasonable costs of collection, including, but not limited to, all costs of foreclosure or repossession, protection and preparation for sale and sale of any collateral, all reasonable costs of litigation, and all reasonable attorney's fees expended to represent Lender in any bankruptcy or other court proceeding involving any collateral for this loan or involving Borrower. In order to contain attorney's fees, Lender may, but is not obligated to, use staff counsel rather than outside counsel, and if so, Borrower agrees to reimburse Lender for the pro-rata portion of staff counsel's salary commensurate with the time spent on the case.

c. Governing Law; Severability.

(1) This Note, as well as Lender's and Borrower's obligations and rights under it, shall be governed by the laws of the State of Nevada, regardless of where any of the Borrower lives, conducts business, or uses the advances made by Lender. Further, Borrower consents to the jurisdiction of Nevada courts in Washoe County for any action brought to enforce this Note or any

other loan document.

(2) Should any provision or clause herein be deemed illegal, contrary to public policy, unenforceable or beyond the limits of law by any court or regulatory agency competent to so rule, and if the offending provision can be modified to conform to the limits of validity, then it shall be deemed, ipso facto, to have been modified from the very beginning to be within the limits of validity or enforceability, and it shall be enforced as such. If the offending provision cannot be modified, then it shall be excised from this Note. In any event, all remaining provisions shall remain in full force and effect. Any reimbursements, payments or monetary adjustments in favor of the Borrower shall be credited as a prepayment of this Note.

d. Binding Effect. This Note is binding on all successors, assigns and representatives of Borrower.

e. Modifications. No modification, agreement to extend or renew or agreement to forbear, or otherwise alter the terms of this Note are binding on Lender unless it is made in writing by an authorized agent. Borrower may not rely on oral modifications or representations by employees of Lender.

f. Loan Assumption. This Note may be assumed, and Borrower's rights and obligations hereunder may be assigned, under the terms provided in the Loan Agreement and Deed of Trust.

g. Valid Purpose and Authority. Each of the undersigned persons represents and warrants to Lender that he or she is legally competent, and duly authorized to bind Borrower, and that this loan and the use of the proceeds shall be for valid, authorized and legal purposes.

h. Notice. Notice hereunder shall be provided in writing delivered to the addresses listed above (including the "copy notice parties" set forth above and such additional "copy notice parties" that are affiliates of Borrower that Borrower may later request to be copy notice parties by written notice to Lender provided, however, that failure to give notice to additional parties does not nullify notice to Borrower) either by hand delivery, U.S. Mail or reputable overnight courier. Notice is deemed to be received on the earlier of: (i) when actually received, (ii) three (3) business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail or (iii) two (2) business days after having been submitted for delivery by reputable overnight courier.

9. **Security.** This Note shall be secured by the Deed of Trust.

10. **Intentionally Omitted.**

EXECUTED on the date indicated below.

////////////////////Signature Page follows////////////////////////////////////.

Non-recourse Promissory Note
(Railyard Flats; HOME-ARP Loan)

BORROWER:

Date: _____, 2023

RAILYARD FLATS, LLC,
a Nevada limited liability company

By: HOUSING AUTHORITY OF THE CITY OF RENO ,
a Nevada municipal corporation
Its: Managing Member

By: _____
Hilary Lopez, Ph.D.

Title: Executive Director

Non-recourse Promissory Note
(Railyard Flats; HOME-ARP Written Agreement)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2023 before me, _____, Notary Public, personally appeared Hilary Lopez, Ph.D., who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (seal)

APN 032-124-22

Mail Tax Statements To:

Reno Housing Authority
1525 E. Ninth Street
Reno, NV 89512
Attention: Hillary Lopez, Ph.D

Recording requested by:
City of Reno
One East First St., 12th Floor
Reno, NV 89501

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

**DEED OF TRUST, SECURITY AGREEMENT, CONSTRUCTION MORTGAGE
AND FIXTURE FILING and ASSIGNMENT OF RENTS AND OTHER PROCEEDS;
REQUEST FOR NOTICE OF DEFAULT
(Railyard Flats; HOME-ARP Program Agreement)**

As of February __, 2024

§1. *Parties, definitions and recitals.*

a. THIS DEED OF TRUST, is by and between and involves the following Project and Property.

Borrower/ Developer/ Owner/ Debtor	Railyard Flats, LLC, a Nevada limited liability company 1525 E. Ninth Street Reno, NV 89512 Authorized Representative: Hillary Lopez, Ph.D, as Executive Director of the Housing Authority of the City of Reno, and each successive owner of the Property.
Lender/ WCHC/ Beneficiary/ Secured Party	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 12 th Floor Reno, Nevada 89501

Trustee	Stewart Title 5390 Kietzke Lane Suite 101 Reno, Nevada 89511 Attn: Joann Sundstrom
Loan Amount	\$1,000,000.00
HOME-ARP Program Agreement	HOME-ARP Program Agreement Between the Washoe County Home Consortium and Reno Housing Authority, executed concurrently herewith
Note	Non-recourse Promissory Note in the amount of \$1,000,000 executed contemporaneously with the HOME-ARP Program Agreement, and as amended to reflect any future advances.
Project	Railyard Flats 419 10 th Street Sparks, NV 89431
Real Property	See Attachment A, together with appurtenances (including water rights described below), hereditaments and property described in Section 3
Water Rights	Included to the extent that they are appurtenant to the Property.
Personal Property	See Section 4.

§2. Recitals.

A. Under the federal HOME Investment Partnerships American Rescue Plan Program (HOME-ARP), Lender is advancing the Loan Amount to Borrower for the construction of the Project as an affordable housing project.

B. Borrower and Lender have entered into the HOME-ARP Program Agreement and a Non-Recourse Promissory Note (“**Note**”) to be secured by this Deed of Trust.

C. Borrower has also executed and delivered for recording a Declaration of Restrictive Covenants (“**Declaration**”), establishing affordability requirements for the Project as required by federal law for the HOME Program. The covenants therein are independent of and recorded separately from this Deed of Trust.

D. Funds under the HOME-ARP Program Agreement will be advanced to pay for construction expenses for the Project. Additional funds to complete the acquisition and construction of the Project will be needed from the third party lenders listed above in Section 1 (each a “**Senior Lender**”). As is customarily done under the HOME program, it is the

intention of Lender for this Deed of Trust to be or become a subordinate lien to the deed of trust or other security instrument granted to the Senior Lenders with respect to the loans from the Senior Lenders specified above in Section 1, either by recording this Deed of Trust after the deed of trust of each Senior Lender, or by one or more subordination agreements.

NOW THEREFORE, in exchange for these presents, Borrower grants, bargains, sells, and agrees as follows:

§3. *Deed of Trust for Real Property.*

In consideration of and as security for the obligations described below, Borrower irrevocably grants, bargains and sells to Trustee, in trust, with power of sale, all of Borrower's interest in (including all interests hereafter acquired) the Real Property located in The City of Sparks, County of Washoe, State of Nevada, more particularly described above.

TOGETHER with (i) all buildings, structures and improvements now existing or hereafter erected on the property ("Improvements"); (ii) all existing and future easements, reversions, privileges, appurtenances, franchises tenements of the property, including all minerals, oil, gas, other hydrocarbons and any other commercially valuable substances which may be in, under or produced from any part of the property; (iii) all royalties, minerals, oil and gas rights and profits, geothermal rights; (iv) all water, water rights and water stock as specified above; (v) all fixtures, equipment and other personal property now or subsequently affixed or placed upon the property; (vi) to the extent not directly assigned under section 5 herein, all existing and future licenses, occupancy agreements and concessions relating to the use and enjoyment of the Property and all guarantees thereof, all rents, incomes, issues and revenues and profits of the property; (vii) all existing and future proceeds, including all claims to and demands for claims, of the voluntary or involuntary condemnation, forfeiture, or conversion of any of the property or Improvements; (viii) the proceeds of all existing or future insurance policies regarding the property; (ix) all existing or future causes of action and their proceeds for any damage or injury to the property and Improvements, including any cause of action arising in tort, contract, fraud or concealment of a material fact in connection with any construction contracts or work done on the property or improvements; (x) any and all cash or non-cash proceeds and products of the foregoing, including, without limitation, all monies, deposit accounts, general intangibles, liquidated claims and other tangible or intangible property received upon a sale, conversion or disposition of any portion of the property or any of the foregoing, and all judgments, claims, rights to make claims, compensation, awards of damages or settlements with respect to any of the foregoing; (xi) all zoning entitlements and development rights regarding the Real Property, including rights under special use permits, variances, rights under development agreements and planned unit developments; and (xii) for purposes of marshalling and conducting a coordinated sale of the Project, all security interests and personal property described below.

§4. *Security interest in Personal Property; Fixture filing.*

a. **Grant.** In further consideration of and as security for the full performance of the

obligations described below, Borrower (Debtor) hereby grants a security interest to Beneficiary (Secured Party) in the following personal property now owned or after acquired and placed on or used in connection with the construction, operations and maintenance of the Real Property, together with all additions and accretions to, substitutions and replacements for, and changes to: (i) all fixtures now or subsequently affixed or placed upon the Real Property; (ii) all equipment and inventory and other personal property; (iii) all contract rights; (iv) chattel paper; (v) all instruments, documents, notes, drafts; (vi) letters of credit (other than letters of credit in favor of Beneficiary), performance or payment bonds or other surety contracts; (vii) all goodwill arising out of the marketing and operation of the Real Property; (viii) all development and use rights; (ix) all files, records, drawings and documents, including all architectural and engineering plans, specifications and drawings, as-build drawings; (x) all extracted minerals and timber; (xi) all general intangibles relating to the Real Property including without limitation all rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received (including all earnest money sales deposits); (xii) all federal, state and local tax credits and other tax benefits to the extent legally assignable; and (xiii) all governmental permits and licenses and applications, hereinafter, the "Personal Property."

b. **Construction mortgage; Fixture/mineral filing.** This Deed of Trust is a construction mortgage (see Section 7 below) and grants a security interest in fixtures (goods which become so related to the Real Property that an interest in them arises under real estate law of Nevada) and minerals of the Real Property and is to be filed for record in the real estate records of the county where the Real Property is located and is intended to be a fixture and mineral filing to perfect the security interest within the purpose of NRS 104.9334.

c. **Public Finance Transaction.** As the HOME-ARP Program Agreement is a transaction under the federal HOME Investment Partnership Act and advances hereunder are from federal funds, this Deed of Trust is part of a public finance transaction with a 30 year filing protection as specified in NRS 104.9515.

§5. Assignment of rents.

a. **Absolute assignment.** Borrower hereby absolutely, presently, and unconditionally assigns to Beneficiary all of the following property and rights now existing or hereafter acquired:

(i) all of Borrower's rights, title and interest in to and under any and all leases, rent agreements, licenses and other agreements of any kind relating to the use or occupancy of all or any portion of the Property (collectively, the "**Leases**") including (i) all guarantees of and security for lessees' performance under any and all Leases, and (ii) all amendments, extensions, renewals or modifications to any Leases;

(ii) all rents (and payments in lieu of rent), income, profit, payments and revenue at any time payable under any and all Leases;

- (iii) all security and cleaning deposits or other collateral held pursuant to all Leases;
- (iv) all subsidies, grants, and rights to payment under any government program or contract relating to affordable housing, welfare, Medicare, or other program that makes benefits available to operators of the Property or to tenants of the Property; and
- (v) all bank accounts, debts, deposits, monies or other property held by any third person which includes any of the foregoing.

Pursuant to NRS 107A.230, this assignment is intended to be a presently effective security interest in all accrued and unaccrued rents arising from the Property. It is not conditional upon default or otherwise. Beneficiary may at any time pursue any remedy as provided in NRS 107A.250 through 107A.300 and apply the proceeds in accordance with NRS 107A.310. Any receipt, release, accord and satisfaction executed by Beneficiary is binding on Borrower.

b. **License to collect; limitations of prepayment of rents.** Beneficiary hereby grants to Borrower a revocable license to collect and retain the foregoing, except that rents may not be collected more than one (1) month in advance (not counting security deposits).

c. **Agreement to keep rents and deposits separate, and to keep sufficient funds in the account.** Borrower agrees to keep undisbursed rents, all reserves and all security and cleaning deposits relating to the Project in separate bank accounts and not to commingle them with other assets of Borrower. Thus, any bank account which includes Borrower's or the Project's name is subject to this assignment. Borrower further agrees to keep the balance in any account which contains security and cleaning deposits sufficient to refund all security deposits indicated on the Leases. In the event that Beneficiary is required to advance funds to refund security or cleaning deposits to tenants as required by Nevada law, Borrower agrees to repay such advances immediately and the obligation to repay any such advances is secured by this Deed of Trust.

d. **Collection does not cure defaults.** The collection of any of the foregoing rents, issues, and profits by Beneficiary, or the application thereof to the indebtedness shall not cure or waive any default hereunder or invalidate any act done in response to such default or cause Beneficiary to provide new notices or rights to cure under NRS 107.080.

e. **Restriction on further assignments, security interests.** Except for each Senior Lender, Borrower will not, without prior written consent of Beneficiary further assign, grant a security interest in, or otherwise create a lien on the foregoing rents, issues or profits, or any part thereof, from the Property or any part thereof, and any attempted assignment will be void as against Beneficiary in addition to being an event of default under this Deed of Trust.

f. **Effects of enforcement.** As per NRS 107A.300, the enforcement of this assignment of rents does not make Lender a mortgagee in possession of the Property or an agent of Borrower, does not make the secured obligation unenforceable, and does not constitute an election of remedies or limit any right available to the Lender with respect to the Loan

Documents. Borrower agrees that, except for an obligation to account for all rents collected and how they were applied, Beneficiary shall have no duties to Borrower, shall not be responsible for performing any of the obligations of Borrower under this Deed of Trust, and shall not be liable in any manner for the Property, except with respect to acts or omissions of Beneficiary and its agents in exercising Beneficiary's remedies under this Deed of Trust that constitute gross negligence or willful misconduct. Beneficiary shall not be responsible for any waste committed by lessees or other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property.

§6. *Obligations Secured ("Loan Documents").*

These grants are given to secure Borrower's payment of all amounts due and the full performance of all obligations of Borrower under:

- i. The above described HOME-ARP Program Agreement and Note; and
- ii. Any document representing future advances by Beneficiary to Borrower which refer to this Deed of Trust; and
- iii. This Deed of Trust, and the repayment (with interest) of all amounts advanced by Beneficiary under any provision in this Deed of Trust or for the payment of any amounts to protect the Property or Beneficiary's lien granted hereunder, whether or not obligatory; and
- iv. All other loan documents now or hereafter executed in connection with this loan transaction which state they are secured by this Deed of Trust; and
- v. Together with all renewals, revisions, modifications, amendments, and extensions to any of the foregoing, all of the foregoing being referred to herein as the "**Loan Documents.**"

COVENANTS

Borrower and Beneficiary agree to each of the following.

§7. *Construction mortgage provision.*

This Deed of Trust secures a construction loan, and in connection with the construction of the Project, Borrower further covenants and agrees that:

- a. The improvements to be erected, altered, or remodeled on the Property shall be completed in accordance with the construction provisions in the HOME-ARP Program Agreement.

b. If a builder control arrangement is used for disbursing funds hereunder, the terms of the control agreement are incorporated herein by reference, and Borrower represents and warrants that all invoices and submittals for payment are true, correct, complete, and represent costs actually incurred or funds actually advanced for construction of the Project.

c. Upon default of any of the above covenants in Sections 7(a) or 7(b), and following any applicable cure periods as provided herein, in addition to the remedies set out in Section 24 of this Deed of Trust, Lender may complete the construction, alteration, or remodeling of the improvements and enter into the necessary contracts therefor. All money so expended shall be secured by this Deed of Trust and any amount in excess of the face amount of the HOME-ARP Program Agreement secured hereby shall be payable on demand with interest at the default rate of the HOME-ARP Program Agreement.

§8. Impound account.

a. **Requirement.** So long as a Senior Lender is impounding for taxes and insurance, Beneficiary agrees not to request funds hereunder. If requested by Beneficiary, Borrower agrees to pay to Beneficiary on the day monthly installments of principal and interest are payable under the HOME-ARP Program Agreement, until the HOME-ARP Program Agreement is paid in full, amounts (pro rated on a monthly basis) necessary to pay the following "Property Obligations" as they become due:

- (1) all hazard insurance and
- (2) property tax assessments, and
- (3) special assessments against the property.

all as reasonably estimated by Beneficiary on the basis of assessments and bills.

b. **Impound account, no interest.** If Beneficiary collects impounds, Beneficiary shall establish a trust impound account in accordance with Nevada law. Beneficiary shall not pay Borrower interest on the account. Funds in the account are pledged as additional security for the obligations secured by this Deed of Trust.

c. **Annual accounting, analysis.** To the extent that Beneficiary is holding impounds, Beneficiary shall give to Borrower, without charge, an annual accounting of the funds showing credits and debits to the account, and the purpose for which each debit was made. Beneficiary shall also conduct an annual analysis to determine whether sufficient money is being contributed to the account on a monthly basis to pay for the projected Property Obligations as they become due.

d. **Surplus funds.** Subject to the terms of the Partnership Agreement, if the amount of any funds held by Beneficiary, together with the future monthly installments, is estimated to be more than what is reasonably necessary to pay all Property Obligations as they become due, the excess shall be, at Borrower's option, either (i) promptly repaid to Borrower, (ii) credited to the unpaid principal balance of the loan, or (iii) retained in the impound account. If

Borrower fails to specify which option within twenty (20) days after receipt of notice, any excess funds will remain in the trust impound account. If, however, Borrower is delinquent on making payments due under the HOME-ARP Program Agreement, any excess shall be applied to the delinquency.

e. **Deficiencies.** If, at any time, the amount of the funds held by Beneficiary in the trust impound account is not sufficient (in the estimate of Beneficiary) to pay Property Obligations when they become due, Borrower agrees to (on thirty (30) days notice) increase monthly contributions in an amount necessary to pay Property Obligations as they would become due.

f. **Refunds.** Upon payment in full of all sums secured by this Deed of Trust, Beneficiary shall promptly refund to Borrower any funds held in the impound account by Beneficiary.

g. **Foreclosures.** If the Property is sold at a foreclosure sale, or is acquired by Beneficiary by a deed in lieu of foreclosure, Beneficiary shall apply funds in the trust impound account first to pay any Property Obligations prorated as of the time of the sale or conveyance, second to pay other sums secured by this Deed of Trust, and any excess after such payments will be returned to Borrower.

§9. Insurance, assignment of proceeds.

a. **Coverage required.** So long as the loan secured by this Deed of Trust is subordinate to any loan by any Senior Lender or any Takeout Lender, Borrower shall maintain insurance in the amounts and on terms required by such Senior Lender or Takeout Lender and the remaining terms of this Section 9 shall not apply. If no such loan by any Senior Lender or any Takeout Lender is outstanding, so long as Borrower owes money to Beneficiary, Borrower agrees to maintain insurance in amounts approved, from time to time, and with insurers approved by Beneficiary as follows:

(1) insurance with respect to Improvements against loss or damage by fire or any risk included under "fire and extended coverage" policies and any other hazard Beneficiary requires, in an amount reasonably approved from time to time by Beneficiary, with a replacement cost endorsement without depreciation;

(2) public liability and property damage insurance applicable to the Property on commercially reasonable terms;

(3) business interruption insurance in amounts adequate to cover taxes, insurance premiums, and HOME-ARP Program Agreement payments for six (6) months;

(4) flood insurance if the Property is ever designated as part of a flood plain or otherwise comes under the requirements of the Federal Flood Insurance Act of 1968 as amended, or any similar law.

b. **Assignment of Proceeds.** Subject to any prior assignments to a Senior Lender, Borrower hereby absolutely, unconditionally, and presently assigns to Beneficiary all proceeds of all insurance policies now or hereafter existing regarding the Property, so long as there is an outstanding indebtedness under the obligations secured hereby. In the event that Borrower is paid any such proceeds, Borrower agrees that it is holding such proceeds as a trustee for Beneficiary and to immediately pay them to Beneficiary, or as otherwise provided in any Intercreditor Agreement in force at the time the proceeds are paid.

c. **Required Provisions.** All insurance maintained by Borrower shall: (i) except for public liability insurance, contain a standard non-contributory mortgagee's endorsement in favor of Beneficiary; (ii) provide that, except in the case of public liability insurance, insurance proceeds shall be payable to Beneficiary; (iii) provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Beneficiary or Borrower or any other person; (iv) provide that no cancellation, reduction in amount or material change in coverage shall be effective until at least thirty (30) days after receipt by Beneficiary and Borrower of written notice and (v) contain only such deductibles, if any, as Beneficiary may approve in writing, and be reasonably satisfactory to Beneficiary in all other respects.

d. **Proof of insurance.** Upon the execution of this Deed of Trust and thereafter not less than thirty (30) days prior to the expiration date of any policy, Borrower will deliver to Beneficiary the original of any policy or renewal policy required by this Deed of Trust, bearing notations evidencing the payment of premiums, except that, in lieu of any policy, Borrower may with Beneficiary's consent, deliver a certificate of the insurer, satisfactory to Beneficiary in substance and in form, as to the issuance and effectiveness of the policy and the amount of coverage afforded thereby accompanied by a certified copy of such policy. Delivery of the policy of insurance shall constitute assignment to Beneficiary of any returned premiums.

e. **Further Documents, Beneficiary Rights.** Borrower agrees to execute any documents reasonably required by Beneficiary to accomplish the assignment of insurance policies, and Beneficiary shall have the right to notify any and all insurers that it has an interest in any policy regarding the Property and, subject to any intercreditor agreement with any Senior Lender, to demand payment of any proceeds.

§10. Condemnation, damage, destruction of Property.

a. **Assignment of proceeds.** Borrower hereby absolutely, unconditionally, and presently assigns to Beneficiary:

(i) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or any part thereof, or for any conveyance in lieu of condemnation; and

(ii) all payments arising out of any damage to the Property, including, but not limited to all judgments, awards, cash settlements, proceeds of all insurance policies; and

(iii) payments of any kind arising out of or paid as a result of any damage to the Property or decrease in value of all or part of the Property or any interest in it; and

(iv) all awards, claims and causes of action arising out of any warranty affecting all or any part of the Property; and

(v) all interest that may accrue on any of the foregoing,

(hereafter "**Damage Proceeds**"). Notwithstanding the foregoing, such assignment, and all of Beneficiary's rights and remedies in connection with such assignment and the Damage Proceeds (including, without limitation, as set forth in subsections 10(b), (c) and (d) below) shall be subject to the rights and remedies of any and all Senior Lenders and Takeout Lenders.

b. Right to appear in proceedings, collection and payment of Damage Proceeds. Subject to any provision in any subordination or intercreditor agreement:

(1) If Beneficiary chooses to do so, during a default under this Deed of Trust (subject to any applicable notice and cure provision), Beneficiary may in its own name appear in any condemnation proceeding or negotiations, or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property and Beneficiary may make any compromise or settlement of the action or proceeding.

(2) Subject to any prior assignments to third party lenders, all Damage Proceeds shall be paid to Beneficiary, and in the event that Borrower is paid any such Damage Proceeds, Borrower agrees that it is holding them as a trustee for Beneficiary and to immediately pay them to Beneficiary. Borrower waives any legal or equitable interest in the award and any right to require an apportionment of the award. To the extent permitted by Nevada law, Borrower agrees that Beneficiary is entitled to apply the award in accordance with this section without demonstrating that its security has been impaired.

c. Application of proceeds, effect of payment of proceeds to Borrower. Subject to any provision in any subordination or intercreditor agreement, any Damage Proceeds paid to Beneficiary may be applied by Beneficiary (i) first to toward reimbursement all Beneficiary's costs and expenses of recovering the proceeds, including reasonable attorney's fees, then (ii) next to the repayment of any obligations secured hereby in the order Beneficiary determines, or at the option of Beneficiary (subject to subsection "d" next below), the entire amount or any part, may be applied to repair or restore the Property or released to Borrower. The application or release shall not cure or waive any default or notice of default, or invalidate any act done pursuant to a notice of default. Unless Beneficiary and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date or amounts of any payments required by the HOME-ARP Program Agreement or herein. No prepayment fee is due as a result of Damage Proceeds received by Beneficiary.

d. Obligation to Repair or Rebuild. Subject to any provision in any subordination or

Deed of Trust

intercreditor agreement, in the event of damage or destruction of all or any part of the Property, Beneficiary agrees that the proceeds assigned above shall be used to repair or replace the Property and Borrower agrees to repair or rebuild the units damaged provided that (i) Borrower is not otherwise in default under this Deed of Trust except as a result of such casualty, (ii) the plans and specifications, cost breakdown, construction contract, construction schedule, contractor and payment and performance bond for the work of repair or reconstruction must all be acceptable to Beneficiary, (iii) there are adequate funds available to Borrower to complete the reconstruction or repair, and (iv) a construction control procedure has been established satisfactory to Beneficiary regarding the budget and use of construction funds.

§11. Management, preservation and maintenance of property; inspection.

a. **Management.** Following completion of construction of the Project, Borrower agrees to provide continuous on-site management of the Property and to use reasonable efforts to assure the security of tenants, the quiet enjoyment of the Property by tenants, maximum occupancy of units and collection of rents, and compliance with Nevada law and applicable federal law regarding landlord tenant relationships. "On site management" means an office on site that is staffed with an employee or agent of Borrower at least from 8 a.m. to 5 p.m. local time six (6) days a week.

b. **Good repair.** Borrower agrees to keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property or remove, demolish or materially alter any building or other Property subject to this Deed of Trust. In the event that any improvements or Personal Property is damaged or destroyed, Borrower agrees to promptly rebuild or replace them in a workmanlike manner, and to pay all charges and satisfy all liens in connection therewith, subject to section 10 hereof.

c. **Habitable condition.** Borrower agrees to construct and maintain all dwelling units in accordance in all material respects with each of the following: (1) all state and local building codes, or if no local code exists, then in accordance with either the Uniform Building Code, National Building Code, or the Standard Building Code; (2) NRS 118A.290 or any other statute that establishes standards of habitability for a dwelling unit; (3) "Minimum Property Standards: (FHA) set forth in 24 CFR 200.295 (for multi family) or 24 CFR 200.296 (for one and two unit dwellings); (4) the Model Energy Code; and (5) 24 CFR 893.6(b) with respect to neighborhood standards. If there is a conflict between Nevada, federal or local law as to minimum property standards, the law which favors tenants the most will be used as the standard for determining breach of this paragraph.

d. **Fair Housing and Disability Acts.** Borrower agrees to cause the Property to continuously be in compliance with all applicable requirements of the Fair Housing Act of 1968 (as amended) and the Americans With Disabilities Act of 1990, and with all Nevada laws regarding equal opportunity in housing, and renting to persons with disabilities all as amended, (collectively referred to herein as the "Acts"), and agrees to protect, defend, indemnify and hold harmless from and against all liability threatened against or suffered by Beneficiary by reason of the breach of this covenant. The foregoing indemnity includes the cost of all

alterations to the Property (including hard costs as well as soft costs), all fines, fees and penalties, and all legal and other expenses (including attorney's fees) incurred in connection with the Property being in violation of the Acts. This indemnification shall continue even if all other sums are paid in full to Beneficiary and this Deed of Trust is reconveyed, or if the Property is conveyed in foreclosure or deed in lieu of foreclosure.

e. **Zoning, covenants.** Borrower shall (i) operate the Project and use the Property consistent with applicable zoning and land use laws and shall not apply for any change in the zoning or land use classification of the Property without Beneficiary's consent, and (ii) shall not commit or allow any act upon or use of the Property which would violate any public or private covenant, condition, restriction or equitable servitude affecting the Property.

f. **Legal uses, no forfeitures.** Borrower will take all actions to prevent the forfeiture of any of the Property under Chapters 453 and 179 of Nevada Revised Statutes or any other law relating to forfeiture of property used in connection with the commission of a crime.

g. **Preserve value and utility.** Borrower shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value and utility.

h. **Inspections.** Beneficiary may make or cause to be made reasonable entries upon and inspection of the Property, and Borrower agrees to provide access to all buildings and units and all files and records relating to the management of the Project, provided that Beneficiary shall provide Borrower with two (2) business days prior written notice of such entries and inspection, Borrower may elect to be present (or cause an agent of Borrower to be present) during such entries and inspection and such entry and inspection shall be subject to the rights of tenants under applicable leases and laws and shall be carried out in a manner that minimizes disruption of such tenants.

i. **Enforcement without showing impairment of security.** Borrower understands and agrees that a breach of the foregoing, or any other provision herein that affects the decency, safety, or sanitary condition of the Property, is a material breach under this Deed of Trust and a default may be declared hereunder without a demonstration that the breach impairs the value of the security.

§12. Warranty of Title.

a. Borrower represents and warrants:

(i) that it is the sole owner of and lawfully possesses and holds fee simple absolute title to the Property, without any defects, liens, encumbrances (except tenant leases and senior deeds of trust), easements, adverse claims or other limitations to title or any options to purchase, agreements to sell, or other defects in title, except as otherwise disclosed to Beneficiary and agreed upon in a policy of title insurance accepted by Beneficiary in connection with the loan;

(ii) that the Property includes all property and rights which may be reasonably necessary or desirable to enable Borrower to construct the Project and use, enjoy and operate the Property for the Project;

(iii) that Borrower has full and unlimited power to encumber the Property; and

(iv) that this Deed of Trust creates a valid lien on the Property.

b. Borrower agrees to defend, at Borrower's sole expense, the title to and right to possession of the Property and the security of this Deed of Trust and the rights and powers of the Beneficiary and Trustee under it against all adverse claims, and this Section 12 shall survive the termination of this Deed of Trust.

§13. *Environmental Provisions.*

a. Borrower agrees not to violate any Environmental Laws and not to release of any material amount of any Hazardous Substance, in any amounts exceeding the amounts permitted under Environmental Laws, on the Property and to remove or clean up any release caused by Borrower at Borrower's expense.

b. Borrower agrees not to cause, suffer or permit the use or storage of any Hazardous Substance on the Property in any amounts exceeding the amounts permitted under Environmental Laws.

c. Borrower agrees to notify Beneficiary of (i) any material release of any Hazardous Substance in violation of Environmental Laws, (ii) the presence of any Hazardous Substance in violation of Environmental Laws as a result of any or discharge of any adjacent or other properties, and (iii) any notices or other regulatory actions commenced by any governmental agency enforcing any Environmental Laws.

d. "Environmental Laws" means any federal or state statute relating to the protection of health, safety, and the indoor and outdoor environment; the conservation, management or use of natural resources and wildlife; the protection or use of surface water or ground water; or the management, manufacture, possession, presence, use, generation, transportation, or treatment of Hazardous Substances or materials, including, but not limited to the laws identified in NRS 40.504. "Hazardous Substance" has the meaning set out in NRS 40.504 as now existing or hereafter amended, and includes, without limitation, asbestos, polychlorinated biphenyls and petroleum. "Release" has the meaning set out in NRS 40.505.

§14. *Limitations on transfer.*

a. **Acceleration on transfer.** Except for transfers permitted under the HOME-ARP Program Agreement, and except for the granting a deed of trust or mortgage to each Senior Lender, Takeout Lender or a third party lender to which this Deed of Trust is subordinate, if

the Property, or any part thereof or any interest therein, is sold by contract of sale or otherwise, conveyed, leased (except as stated below) or alienated by the Borrower or by operation of law, or otherwise, or if the Property is further encumbered, mortgaged or pledged, (all of the foregoing events are referred to as "Transfers"), then all obligations secured by this Deed of Trust, irrespective of the maturity dates of the obligations, at the option of the Beneficiary, and without demand or notice, shall immediately become due and payable, unless the Transfer occurs as a result of a death, or unless otherwise agreed to in writing by Beneficiary. Notwithstanding the foregoing or anything to the contrary in this Deed of Trust, Borrower may transfer the Project and Property, and assign its rights and obligations under this Deed of Trust to a transferee as provided in the HOME-ARP Program Agreement.

b. **Minimum standards for consent to transfer.** The consent of Lender shall not be unreasonably withheld or delayed if all the following criteria are met to its satisfaction:

1. Borrower is not in default hereunder or under the HOME-ARP Program Agreement, Note or Deed of Trust, or the proposed transferee agrees to cure any such defaults to the reasonable satisfaction of Lender;

2. The continued operation of the Project shall comply with the provisions of the Deed of Trust (if it is still in place) and the Declaration of Restrictive Covenants;

3. The transferee or its manager has at least three years or equivalent experience in the ownership, operation and management of rental housing projects containing below market units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects;

4. The transferee has the financial capacity to acquire, develop and operate the Project and produces to WCHC pro forma or operating statements demonstrating the financial viability of the Project;

5. The transferee does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; and

6. The transferee agrees to assume Owner's obligations under the HOME-ARP Program Agreement and the Declaration, Note and Deed of Trust and delivers to WCHC, if requested, an opinion of counsel that the assumption agreement is valid, binding and enforceable obligations of such transferee.

c. In the event of a transfer and assignment under this Section, and provided that all parties enter into an assignment and assumption agreement satisfactory to Lender, the assigning Borrower shall be released from all liability and obligations, and shall have no further liability or obligations under the HOME-ARP Program Agreement, the Deed of Trust, the Declaration, the Note or any other documents executed in connection therewith.

d. A permitted or approved transfer under the Deed of Trust shall also be considered an assignment/assumption of the HOME-ARP Program Agreement, the Non-Recourse Promissory Note, and the Declaration of Restrictive Covenants.

e. If the Deed of Trust is extinguished (i.e., through foreclosure of a Senior Loan, discharge in bankruptcy, or voluntary or involuntary reconveyance) the limitations on transfer stated in the Declaration of Restrictive Covenants (subject to permitted transfers stated in this Section) shall govern any transfer of any interest in Borrower or the Project. A permitted or approved transfer of Borrower or the Project under the Declaration of Restrictive Covenants shall also be considered as an assignment/assumption of this Loan Agreement as to any executory matters.

f. Without waiving the right to withhold approval of a transfer as provided above, this Agreement shall be binding on the successors, trustees, representatives and permitted assigns of the parties.

g. **Waivers.** If Beneficiary consents to a Transfer or fails to exercise its rights hereunder, it shall not constitute waiver of the right to exercise its rights in the event of a subsequent Transfer. Acceptance of a payment on an obligation secured by this Deed of Trust after Beneficiary receives notice of the occurrence of a Transfer does not constitute a waiver of its rights hereunder. If a Transfer occurs, with or without Beneficiary's consent, Borrower waives all suretyship defenses, including the right to compel suit against the principal debtor.

h. **Permitted leases & encumbrances.** This section shall not prevent Borrower from entering into (i) rental agreements or leases of the Property to individual tenants or (ii) leases or easements with cable, internet or laundry service providers, in the ordinary course of Borrower's business, provided that the leases do not contain an option to purchase. Any lien or deed of trust now or hereafter granted to any lender is a permitted transfer if this Deed of Trust has been made subordinate to it.

§15. *Fee for permitting assumption.*

Beneficiary is under no obligation to do so (subject to the terms set forth in Section 14(a) above), but if Beneficiary agrees to a Transfer by Borrower of its interest in the Property

to another person, Beneficiary may charge a fee of ONE PERCENT (1%) OF THE UNPAID BALANCE of the HOME-ARP Program Agreement as an assumption fee.

§16. Security agreement provisions.

In connection with the personal property security interest granted, Borrower (Debtor) warrants, represents, and covenants as follows:

- a. **No other liens.** Except for the security interest granted hereby, and any security interests given to any Senior Lender, Borrower is or will be the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance, or adverse claims thereon of any kind whatsoever, except purchase money security interests. Borrower will notify Beneficiary of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein, except purchase money security interests.
- b. **No sale of Personal Property.** Except in connection with a transfer of the Property permitted under this Deed of Trust, Borrower will not lease, sell, convey or in any manner transfer the Personal Property without the prior written consent of Beneficiary except in the ordinary course of business and for replacements and substitutions for obsolete, worn-out or damaged property.
- c. **Commercial use.** The Personal Property is not used or bought for personal, family, or household purposes.
- d. **Use only on Real Property.** The Personal Property will be kept on Real Property and Borrower will not remove it from Nevada without the prior written consent of Beneficiary.
- e. **Further documents.** Borrower agrees to execute any financing statement or other document reasonably required by Beneficiary to document, protect or perfect (or renew or continue perfection of) this security interest. Borrower hereby irrevocably appoints Beneficiary its attorney-in-fact to execute and deliver any such document in the name of and on behalf of Borrower.
- f. **Assemble collateral.** In the event of a default hereunder, Borrower agrees to assemble all Personal Property and make it available to Beneficiary at the location of the Real Property.
- g. **Possession not satisfaction.** If Beneficiary takes possession of any Personal Property, it shall not be considered to be retention of collateral in satisfaction of the debt unless Beneficiary actually makes a written proposal to Borrower.

§17. Default prepayment.

If any debt secured by this Deed of Trust requires payment of additional consideration as a condition of prepayment, Borrower agrees to pay that sum, if any, if the indebtedness is

paid prior to the due date, whether payment is voluntary or involuntary, and notwithstanding that the Borrower is in default, and that Beneficiary, by reason thereof, has declared all sums secured hereby immediately due and payable.

§18. Statutory Covenants.

a. The following covenants Nos. 1 (regarding payment of taxes, assessments and other liens); 2 (regarding insurance in amounts as provided herein); 3 (regarding adverse claims), provided that Beneficiary shall not be permitted to settle any such claims without Borrower's consent unless there is an uncured default as described in Section 23 (subject to applicable notice and cure periods) then in effect; 4 (regarding reimbursement for amounts expended pursuant to implied covenants-- with interest at the default rate in the HOME-ARP Program Agreement, or if no default rate is expressed in the HOME-ARP Program Agreement, then the rate established in NRS 99.040); 6 (regarding foreclosure procedures), 7 (regarding trustee's deeds and application of proceeds of foreclosure sale -- including payment of reasonable counsel fees and costs actually incurred); 8 (trustee's deed is conclusive proof of default and regularity of proceeding); and 9 (appointment of substitute trustee) of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this Deed of Trust shall control to the extent that the same are inconsistent with the statutory covenants.

b. The power of sale under this Deed of Trust shall not be exhausted by any one or more sales (or attempts to sell) as to all or any portion of the Property remaining unsold, but shall continue unimpaired until all of the Property has been sold by exercise of the power of sale herein contained and all indebtedness of Borrower to Beneficiary under this Deed of Trust and all obligations it secures has been paid in full.

§19. Offset statement.

Borrower shall, within seven (7) days following receipt of a request from Beneficiary, furnish to Beneficiary a written executed statement, commonly called an offset statement, showing the exact payments made to date and the unpaid balance of the Note (or notes) secured by this Deed of Trust as shown on Borrower's records.

§20. Protection of Beneficiary's Security.

a. **Powers.** If Borrower fails to perform any obligation herein or if any action or proceeding is commenced which materially affects Beneficiary's interest in the Property, including, but not limited to, payment of any insurance premium, default under any agreement to another creditor secured by the Property, eminent domain, insolvency, code enforcement, an action to enforce any environmental laws, forfeiture under state or federal criminal laws, or arrangements or proceedings involving a bankrupt or decedent, then Beneficiary may make any appearance, disburse any sums and take any action necessary to protect Beneficiary's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

- b. **Reimbursement of amounts advanced.** Any amounts disbursed by Beneficiary pursuant to this section shall become additional indebtedness of Borrower secured by this Deed of Trust, payable upon demand and bearing interest from the date of disbursement at the default rate specified in the HOME-ARP Program Agreement, or if no default rate is specified, then the regular rate of interest, and if no regular rate is expressed, then at the rate calculated pursuant to NRS 99.040.
- c. **Subrogation of any liens satisfied.** Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by the payment of any sums by Beneficiary.

§21. Beneficiary's right to deal with collateral.

Without affecting the liability of any person, including Borrower, for the payment of any secured debt or the lien of this Deed of Trust on the Property for the full amount of any unpaid indebtedness, Beneficiary and Trustee are empowered as follows:

- a. Beneficiary may, without notice do any one or more of the following: (i) release any person liable for the payment of any of the indebtedness; (ii) extend the time or otherwise alter the terms of payment of any of the indebtedness; (iii) accept additional security; and (iv) alter, substitute or release any property securing the indebtedness.
- b. Trustee may, without liability and without notice, upon written request of Beneficiary: (i) consent to the making of any map or plat of the Property; (ii) join in granting any easement or creating any easement or creating any restriction thereon; (iii) join in any subordination or other agreement affecting this Deed of Trust; and (iv) reconvey, without any warranty, any part of the Property.

§22. Payment for services and costs of enforcement; exculpation of Beneficiary.

- a. **Services and costs of enforcement, attorney's fees.** Borrower agrees to pay the (up to the maximum amounts legally permitted) reasonable fees as may be charged by Beneficiary and Trustee, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including Beneficiary's providing a statement of the obligations secured hereby, or Trustee's rendering of services in connection with a reconveyance. Borrower also agrees to pay or reimburse all of Beneficiary's and Trustee's costs and expenses which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including but not limited to (i) enforcing any rights or remedies afforded to Beneficiary or Trustee, or both of them, under section 24 hereunder, whether any lawsuit is filed or not; (ii) defending any action or proceeding arising under or relating to this Deed of Trust; and (iii) appearing in any bankruptcy or insolvency proceeding to enforce any creditor's rights (including the preparation of proofs of claim and negotiating matters with Borrower or a bankruptcy trustee or debtor in possession, obtaining relief from the automatic stay and participating in any creditor's committees). The costs and expenses to be reimbursed or paid

hereunder include, but are not limited to, reasonable attorney's fees and other legal costs, travel expenses, costs of expert witnesses or consultants, costs of any foreclosure sale (or sales if Beneficiary chooses to sell the Property in more than one sale) together with any cost of evidence of title. If Beneficiary or Trustee use the services of the Reno City Attorney, reasonable attorney's fees shall be the rate being charged by the Reno City Attorney for a Deputy City Attorney III through the city budget process at the time the services are performed.

b. **When payment due, interest.** Payment or reimbursement of any of the foregoing sums shall be due and payable immediately upon demand, and each such obligation shall be added to and considered part of the obligations secured hereby and shall bear interest from the date the obligation arises at the default rate.

c. **Exculpation of Beneficiary.** Beneficiary shall not be directly or indirectly liable to Borrower or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary under this Deed of Trust except with respect to the gross negligence or willful misconduct of Beneficiary; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Borrower under any agreement related to the Property or under this Deed of Trust; and (iii) any loss sustained by Borrower's or any third party resulting from Beneficiary's failure to lease the Property, or from any other act or omission of Beneficiary in managing the Project after an event of default unless the loss is caused by the gross negligence or willful misconduct and bad faith of the Beneficiary.

§23. Events of Default.

Borrower shall be in default under this Deed of Trust if any one or more of the following events occur:

a. Failure by Borrower to pay on the date such payment is due and payable (i) any payment of principal of or interest on the Note or HOME-ARP Program Agreement pursuant to the provisions of and following the expiration of any cure period therein (subject to any required notice); (ii) any other sums due hereunder within the time period specified and, if no such time is specified, within thirty (30) days after notice to Borrower; and (iii) any amounts due which are secured hereby or due under any other Loan Document, by acceleration or otherwise. Notice and opportunity to cure shall be given under §24 (a) (1).

b. Failure by Borrower to punctually perform or observe any covenant or agreement contained in this Deed of Trust (other than monetary obligations described in paragraph a above), subject to notice and opportunity to cure. Notice and opportunity to cure shall be provided under §24 (a) (2).

c. The occurrence of an event of default under the HOME-ARP Program Agreement or any other obligation secured hereby, subject to applicable force majeure, notice and cure provisions. If required notice and opportunity to cure is given under the HOME-ARP Program Agreement, additional notice and opportunity to cure need not be given under this

Deed of Trust.

d. The occurrence of an event of default under the Declaration that impacts the value of the Property (i.e. failure to maintain in a habitable condition), subject to applicable force majeure, notice and cure provisions. This Deed of Trust does not secure the Affordability Requirements. If any required notice and opportunity to cure is given under the Declaration, additional notice and opportunity to cure need not be given under this Deed of Trust.

e. Either Borrower or any guarantor of Borrower's obligations secured by this Deed of Trust: (i) fails to pay its debts generally as they come due; (ii) admits in writing its inability to pay its debts generally; (iii) makes a general assignment for the benefit of creditors; (iv) institutes any proceeding seeking to adjudicate itself insolvent or seeking to liquidate its assets; (v) takes advantage of any insolvency act; (vi) commences a case or other proceeding naming it as a debtor under the United States Bankruptcy Code or similar law, domestic or foreign; (vii) suffers the commencement of a case or other proceeding against it under the United States Bankruptcy Code or similar law, domestic or foreign, or any proceeding seeking liquidation of its assets and it fails to take appropriate action resulting in the withdrawal or dismissal of such proceeding within ninety (90) days; (viii) suffers the appointment of a receiver, liquidator, conservator, trustee or similar official over all or a substantial part of its assets of Borrower; or (ix) takes any action in furtherance of any of the foregoing. Notice and opportunity to cure shall be provided under §24 (a) (2).

f. A writ of execution, attachment, criminal forfeiture or any similar process is issued or levied against all or any part of or interest in the Property or any judgment involving monetary damages is entered against Borrower which shall become a lien on the Property or any portion thereof or interest therein and such execution attachment or similar process is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy. Notice and opportunity to cure shall be provided under §24 (a) (2).

g. Any suit or proceeding is filed against Borrower or its "Principal Participant" (general partner, managing member, parent corporation, holding company, or majority shareholder if the majority shareholder participates in the management of the corporation) which, if adversely determined, could substantially impair the ability of Borrower or its Principal Participant to perform any of their material obligations contained in the Loan Documents, and such suit or proceeding shall be more likely than not to be successful, all as determined by the Beneficiary in its reasonable discretion. Notice and opportunity to cure shall be provided under §24 (a) (2).

h. Any assignment by Borrower of the whole or any part of the rents, issues or profits arising from the Property to any person (other than a lender who is providing additional acquisition or construction funding concurrent with this advance) without the consent of Beneficiary or if, without such consent, Borrower shall further encumber the Property or any portion thereof including, without limitation, the granting of any security interest under the UCC. Notice and opportunity to cure shall be provided under §24 (a) (2).

i. At any time any representation, warranty or statement made by Borrower or its Principal Participant in any Loan Document or any certificate delivered by Borrower or its Principal Participant is incorrect or misleading in any material respect when made, or any material misrepresentation is at any time made to Beneficiary by Borrower or its Principal Participant. Notice and opportunity to cure shall be provided under §24 (a) (2).

j. Any provision of any of the Loan Documents relating to the ability of Beneficiary to enforce any right hereunder or to the ability of Beneficiary to realize on the Property for any reason ceases to be legal, valid and binding or Borrower shall so state in writing. Notice and opportunity to cure shall be provided under §24 (a) (2).

k. The Loan Documents shall for any reason, except to the extent permitted by the terms hereof or thereof, cease to create a valid and perfected lien or security interest in any of the Property or Borrower shall so state in writing. Notice and opportunity to cure shall be provided under §24 (a) (2).

l. The dissolution or winding up of the affairs of Borrower, or the withdrawal of the Principal Participant of Borrower. Notice and opportunity to cure shall be provided under §24 (a) (2).

m. The Property or any portion of it becomes property of a bankruptcy estate or the subject of any bankruptcy proceedings, or becomes part of a decedent's estate, or there occurs a petition for the appointment of any trustee, receiver or liquidator of any material part of the Property. Notice and opportunity to cure shall be provided under §24 (a) (2).

n. Borrower defaults on any indebtedness secured by a deed of trust or security agreement on the Property which is either prior or subordinate to the lien of this Deed of Trust, subject to applicable notice and cure provisions. Notice and opportunity to cure shall be provided under §24 (a) (2).

§24. Remedies on Default; Notice and cure periods.

a. Notice and Cure Periods.

(1) Monetary defaults: If Borrower fails to pay or cause to be paid any amount due hereunder or under any Loan Document, including, but not limited to, the payment when due of principal, interest, fees, insurance premiums, taxes or assessments against the property, rents collected if the license to collect and retain the rents is revoked by Beneficiary, reimbursement of any amounts advanced by Beneficiary hereunder, any proceeds of insurance or condemnation received by Borrower, the payment of amounts due to any junior lienholder, Beneficiary shall, subject to subsection (3) below, give notice to Borrower and limited partners at the "additional notices" addresses stated above, and if the amounts are not paid in full within thirty (30) days after notice is deemed received, Beneficiary may pursue its remedies set forth below.

(2) Other defaults: In the event of any default not described in the subparagraph (1) above occurs, Beneficiary shall give notice to Borrower and limited partners at the "additional notices" addresses stated above, subject to subparagraph (3) next below, and if the default is not cured within forty-five (45) days after notice is deemed received, Beneficiary may pursue its remedies set forth below. If, however, circumstances beyond the control of Borrower or its limited partners exist that render it impracticable for Borrower or its limited partners to remedy the default within forty-five (45) days, and if Borrower or its limited partners has undertaken all possible measures to cure the default within forty-five (45) days, such cure period shall be extended for the period of time reasonably necessary to accommodate such cure.

(3) If, however, the giving of notice under subsections (1) or (2) above is prohibited by injunction or other court proceeding, or is stayed by the automatic stay or any other provision in federal bankruptcy laws or is not allowed by any other provision of law, then notice shall not be given, and the applicable cure period begins on the date of the default.

Notwithstanding anything to the contrary in this Deed of Trust, Beneficiary agrees that any cure of any default made or tendered by any member or partner of Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected by Beneficiary on the same basis as if made or tendered by Borrower.

b. **Remedies.** In the event of a default, upon the expiration of the cure periods specified above, Beneficiary may, in any order it chooses undertake any one or combination of the following remedies, and all of these remedies are cumulative and in addition to any other remedy given hereunder or under the laws or principles of equity of Nevada:

(1) Accelerate the balance due under the Note, HOME-ARP Program Agreement or any Loan Document or any other agreement executed in connection with the loan transaction (such as hazardous waste agreements, assignments of leases or the like) and pursue any remedy available thereunder.

(2) Invoke any of its rights specifically provided for herein, including, but not limited to revocation of the license to collect rents, taking any action to protect its security, and exercising the power of sale of the Real Property.

(3) Repossess or otherwise enforce its rights against the Personal Property in accordance herewith and the Nevada Uniform Commercial Code.

(4) Enforce the Assignment of Rents as provided in NRS 107A.250 through 107A.300 and apply the proceeds as provided in NRS 107A.310. Borrower agrees that a receiver may be appointed as a matter of right without regard to the sufficiency of the Property or any other security or guaranty and without any showing contemplated by NRS 107.100, all of which are waived by Borrower and Borrower hereby consents to the appointment of a receiver. The receiver shall have the right to take possession of the Property, take possession of all deposit accounts containing rents or security deposits, collect rents and enforce Leases,

refund security deposits, enter into new Leases (with discretion to determine the rent and security deposit levels), pay salaries and expenses of employees, authorize and pay for repairs necessary to maintain habitability of the dwelling units and protection of the Property, pay utilities and monthly operating and maintenance expenses, pay taxes and insurance premiums, remit any surplus to Beneficiary, and any additional powers given to it by the court.

(5) In person or by agent enter, take possession or, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust, including, but not limited to, those powers listed next above.

(6) Bring an action for specific performance to enforce covenants herein regarding the condition and management of the Property, status of title, and the protection of Beneficiary's security except that an action for specific performance may not be brought to collect any sums advanced and due hereunder.

(7) Bring an action for enforcement of Environmental Provisions (§13) as allowed by NRS 40.512.

(8) Following foreclosure and sale of the Property, to the extent provided by law, bring an action for the repayment of any deficiency in principal and interest due under the HOME-ARP Program Agreement, unless the Note or HOME-ARP Program Agreement states that the loan is a non-recourse loan.

(9) To the extent permitted by law and regardless of whether or not the loan was a non-recourse loan, Lender may bring an action against Borrower to recover losses suffered by Lender as a result of breach of any covenant in this Deed of Trust relating to protection or preservation of the security, including, but not limited to, losses suffered by Lender due to (i) failure to insure the Property or failure to surrender insurance or eminent domain proceeds and/or failure to rebuild under Section 10; (ii) waste of the Property in violation of Section 11; (iii) costs of repair or relocation of tenants because the Property is uninhabitable under subsection 11 (c); (iv) forfeiture of property due to illegal use under subsection 11 (f); (v) a breach of the hazardous materials covenants under Section 13; (vi) failure to reimburse Lender for costs of enforcement under §22 of this Deed of Trust; (vii) failure to segregate and surrender security deposits, advance rents or other sums collected from and owed to tenants; (viii) retention, disposition or sale of real or personal property collateral not in the ordinary course of business or constituting a fraudulent transfer under NRS Chapter 112; and/or (ix) losses due to short sales where Owner or Owner's real estate agent colludes with a prospective purchaser or takes action to avoid listing, advertising, or marketing the property or otherwise circumventing marketing strategies resulting in a sale at significantly less than fair market value.

§25. Provisions regarding sale; waiver of marshalling.

a. **Mixed property sale; notice.** In exercising the power of sale, Beneficiary may direct

the sale of Real Property and Personal Property in any order and may cause to be sold any portion or all of the Personal Property at the same time as any portion or all of the Real Property. If any Personal Property is to be sold at the same time as any Real Property, Borrower agrees that notice of such sale may be included with the notice of sale provided under Nevada law for the sale of the Real Property, and that following the procedures set in Nevada law for the sale of the Real Property constitutes a commercially reasonable sale of the Personal Property.

b. **Commercially reasonable sale of personal property.** If any Personal Property is not sold at the same time as Real Property, Borrower agrees that the following procedure would constitute a commercially reasonable sale: (i) Beneficiary or Trustee shall mail written notice to Borrower at least thirty (30) calendar days before sale, (ii) Beneficiary or Trustee shall publish notice of sale once a week for four (4) weeks in a newspaper of general circulation in the area where the property is to be sold, and (iii) the sale may be private or public, and Beneficiary may refuse any bid if in its judgement the bid or offer does not equal the fair market value of the property. The foregoing is not the only procedure that may be commercially reasonable.

c. **Waiver of marshalling.** Borrower waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order, including any such rights provided by Nevada law as it may be amended from time to time. Each successor and assign of Borrower, including any holder of a lien subordinate to this Deed of Trust, by acceptance or its interest or lien agrees that it shall be bound by this waiver.

d. **Order of sale; multiple sales.** If the Property consists of more than one lot, parcel or item of property, Beneficiary may designate the order in which the lots, parcels or items shall be sold or disposed of and may elect to dispose of the lots, parcels and items through a single consolidated sale or through two or more sales which may be conducted simultaneously or successively.

e. **Credit bids; application.** At any sale, Beneficiary may enter a credit bid against all balances owed to reimburse Beneficiary for any advances made to cover costs and expenses of preservation and preparation of property for sale, and costs and expenses of sale, then to reduce late charges and collection costs, and, then to reduce interest and then principal under any obligation secured hereby.

f. **Sales proceeds do not cure default.** Any proceeds of any sale shall not cure any event of default or reinstate any secured obligation for the purposes of NRS 107.080.

§26. *Waivers.*

a. **Statute of limitations.** Borrower waives, except as prohibited by law, the right to plead, use or assert any statute of limitations as a plea or defense or bar of any kind, or for any purpose.

b. **Waivers by Beneficiary.** Acceptance of a late or partial payment or performance shall not constitute a waiver of any other or future default. Any lack of diligence by Beneficiary or any failure to exercise any right or remedy shall not be construed as a waiver of the default or any rights or remedies unless such a waiver is expressed in writing. Any waiver applies only to the specific default or right or remedy indicated therein and does not operate as a continuing waiver of the default, right or remedy, or of any other or future defaults, rights or remedies, nor does any waiver imply a course of dealing, course of conduct, or obligation to make any further waivers or forbearances.

§27. Successors and assigns bound; joint and several liability.

a. The covenants of this Deed of Trust shall bind, and the rights created shall inure to, the respective successors and assigns of Beneficiary and Borrower. The application of the preceding sentence does not constitute a waiver of the prohibition against Transfers. Each of the undersigned is obligated and liable jointly and severally with each other of the undersigned.

b. Unless otherwise agreed, if Borrower assigns or delegates any secured obligation, Borrower remains jointly and severally liable with all successor obligors or assignees, and Borrower agrees that such liability will not be discharged or changed if Beneficiary subsequently grants an extension of time for the repayment or otherwise modifies the terms of repayment.

§28. Reconveyance.

Upon satisfaction of all conditions of and payment of all amounts owed under the obligations secured hereby, and payment of all costs and expenses (including reasonable attorney's fees) of preparation and recording of a reconveyance, the Beneficiary agrees to execute and deliver a reconveyance of this Deed of Trust in recordable form and a termination or release of any Financing Statements. Any reconveyance shall be "to the person or persons legally entitled thereto" and it shall not be the responsibility of the Beneficiary or Trustee to determine who is legally entitled to the reconveyance or name any person or persons in the reconveyance.

§29. No merger.

No merger shall result from Beneficiary's acquiring any other estate, lien, or other interest in any of the Property unless Beneficiary agrees to a merger in writing.

§30. Notices.

Unless otherwise required by statute, notices shall be given in accordance with the HOME-ARP Program Agreement.

§31. *Governing law; interpretation; severability.*

- a. This Deed of Trust shall be governed by the law of Nevada.
- b. Should any provision or clause herein be deemed illegal, contrary to public policy, unenforceable or beyond the limits of law by any court or regulatory agency competent to so rule, and if the offending provision can be modified to conform to the limits of validity, then it shall be deemed, ipso facto, to be modified to be within the limits of validity or enforceability, and shall be enforced as such. If the offending provision cannot be so modified, then it shall be excised from this Deed of Trust. In any event, all remaining provisions shall remain in full force and effect. Any reimbursements, payments or monetary adjustments in favor of the Borrower shall be credited as a prepayment of the HOME-ARP Program Agreement, without penalty.
- c. In this Deed of Trust: (1) whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender; (2) the captions and sections are for convenience only and do not define or limit any terms or provisions; (3) the words “includes” and “including” are to be construed to include “but not limited to” and no listing of specific instances in any way limits the scope or generality of any language, and (4) any capitalized terms which are not otherwise defined have the meanings given to them in the loan documents evidencing the obligations secured hereby.

§32. *Deed of trust tax.*

If any tax or assessment is levied on the interest of any party to this Deed of Trust, Borrower agrees to pay the tax even if it is assessed against the Beneficiary.

§33. *Certain legal proceedings.*

Should Beneficiary or Trustee, or both, become parties to any action to enjoin foreclosure, or other legal proceedings instituted by Borrower, or by any third party, or should Borrower institute or be subject to any bankruptcy, reorganization, receivership or other proceeding in relation to creditors, then all attorneys’ fees and costs incurred by Beneficiary or Trustee, or both, in any of those proceedings, shall be secured by this Deed of Trust and shall be paid by Borrower upon demand, and if not paid, shall be recovered from the Property.

§34. *Limitation of liability.* The City of Reno is a political subdivision of the State of Nevada and is performing a government function of providing safe, decent and affordable housing. Other than as provided by law (NRS Chapter 41), City does not waive any immunity from lawsuit or liability.

§35. *Counterparts.* This Deed of Trust may be executed in counterparts by the Borrower and Beneficiary and is effective on the date executed by Borrower.

§36. *Conflicts.* In the event that this deed of trust directly conflicts with an express

Deed of Trust Page 26

provision in the HOME-ARP Program Agreement the specific provision in the HOME-ARP Program Agreement controls.

§37. Nonrecourse provisions. Any provisions in the Note or HOME-ARP Program Agreement limiting recourse to Borrower after exhaustion of the security afforded hereby are incorporated herein by reference, except to the extent provided in subparagraph 24 (b) (9).

§38. Subordination Agreement.

WCHC acknowledges that each Senior Lender is making a construction and/or permanent loan on this project as described on Schedule 1 on a condition that its deed of trust be in a lien position superior to this Deed of Trust. WCHC further acknowledges that one or more takeout lenders (who issue a permanent loan(s) to refinance the construction loan) (each a "Takeout Lender") will also require its lien to be in a first priority above and ahead of this Deed of Trust. WCHC irrevocably and unconditionally subordinates the lien priority of this Deed of Trust to the lien priority of the Senior Lenders' and any Takeout Lenders' security instruments. WCHC also agrees that its lien perfection in the rents and enforcement rights under NRS Chapter 107A (Assignment of Rents -- Uniform Act) is subordinate to any assignment of rents to one or more Senior Lenders or Takeout Lenders. If Beneficiary and any Senior Lender, Takeout Lender or third party enter into any written subordination agreement(s) that is contrary to this section, each such subordination agreement shall prevail. This subordination agreement does not apply to the Declaration.

§39 Request for Notice.

Pursuant to NRS 107.090, Beneficiary requests to be provided with all notices of default and sale at the address specified in §1 above.

////////////////////////////////nothing follows on this page////////////////////////////////

Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default (Railroad Flats; HOME-ARP Program Agreement)

Counterpart Signature Page

Developer/Borrower:

Railyard Flats, LLC, a Nevada limited liability company

By: Housing Authority of the City of Reno , a Nevada municipal corporation

By: _____ Name: Hilary Lopez, Ph.D Title: Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF NEVADA)) ss. COUNTY OF WASHOE)

On _____, 2024 before me, _____, Notary Public, personally appeared Hilary Lopez, Ph.D., who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (seal)

Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and
Assignment of Rents and Other Proceeds; Request for Notice of Default
(Railyard Flats; HOME-ARP Program Agreement)

Counterpart Signature Page

LENDER/ BENEFICIARY

Washoe County Home Consortium

By City of Reno, Lead Agency

By _____ Date _____
Doug Thornley, City Manager

STATE OF NEVADA)
) Acknowledgement in Representative Capacity
COUNTY OF WASHOE) (NRS 240.1665)

This Instrument was acknowledged before me on _____
by DOUG THORNLEY as City Manager of the City of Reno.

Notary Public

Approved as to Legal Form
KARL HALL, City Attorney

By _____
Deputy City Attorney

EXHIBIT A
LEGAL DESCRIPTION

Railyard Flats; HOME-ARP Program Agreement
APN 032-124-22

THE LAND REFERRED TO HEREIN BELOW IS SITUATED RENO, IN THE COUNTY OF WASHOE, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in the City of Reno, County of Washoe, State of Nevada, described as follows:

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:
All that real property depicted as Parcel A, and lying within the exterior boundary thereof, as shown on REVERSION TO ACREAGE TRACT MAP FOR MICHAEL J. MCGONAGLE, MINH D. NGUYEN & DANIEL LAZAARESCHI, filed in the office of the County Recorder, Washoe County, State of Nevada on July 26, 2022, as File No. 5321064, Map No. T5499, Official Records.

APN: 032-124-22

Document No. 5321064 is provided pursuant to the requirements of Section 6, NRS 111.312

APN 032-124-22

Mail Tax Statements To:

Railyard Flats, LLC
1525 E. Ninth Street
Reno, NV 89512
Attention: Hillary Lopez

Recording requested by:
City of Reno
One East First St., 12th Floor
Reno, NV 89501

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

DECLARATION OF RESTRICTIVE COVENANTS
(Railyard Flats; HOME-ARP Loan)

<i>Date</i>	As of
<i>Project Name and Address</i>	Railyard Flats 419 10 th Street Sparks, NV 89431
<i>Developer/Owner</i>	Railyard Flats, LLC 1525 E. Ninth Street Reno, NV 89512 Authorized Representative: Hilary Lopez, Ph.D., Executive Director of Housing Authority of the City of Reno and each successive owner of the

<i>WCHC/City</i>	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 12 th Floor Reno, Nevada 89505 Authorized Representative: Manager, Housing & Neighborhood Development Dept.				
<i>Property Description</i>	All that land and improvements located in City of Sparks, County of Washoe, State of Nevada, more particularly described as: See Exhibit A APN: 032-124-22				
<i>Affordability Period</i>	Later of 15 years from completion of construction or until loan is paid in full or fully forgiven, plus an Additional Non-Federal Affordability Period of 15 years to run consecutive to the Affordability Period. See §2.01				
<i>HOME-ARP Assisted Units (§2.02)</i>	#Units	#Bedrooms	Rented only to persons whose incomes are:	Gross Rent	Utility Allowance*
	2	1	30% AMI	\$525	\$67
	1	2	30% AMI	\$668	\$87
	TOTAL: 3				

RECITAL

Owner and WCHC entered into that certain HOME-ARP PROGRAM AGREEMENT BETWEEN THE WASHOE COUNTY HOME CONSORTIUM AND HOUSING AUTHORITY OF THE CITY OF RENO where WCHC agreed to loan funds to Owner for the purpose of constructing the above named project to serve as an affordable housing project under the federal HOME Investments Partnership American Rescue Plan Program (HOME-ARP) (Public Law No. 117-2 (03/11/2021)). Federal regulations for HOME (24 CFR Part 92) require that properties developed with federal funds must be rent restricted and comply with HOME regulations for an Affordability Period. In consideration of the loans from WCHC for the Project, Owner hereby covenants and agrees as follows with the intent that these covenants shall run with the land and be binding on all subsequent owners who hold the land during the above stated Affordability Period, regardless of whether or not the loan has been repaid.

DEFINITIONS

“Deed of Trust” means Deed of Trust, Security Agreement, Construction Mortgage, and Fixture Filing and Assignment of Rents and Other Proceeds; Request For Notice Of Default.

“HOME Regulation” means applicable provisions of the HOME Investment Partnerships Program as Title II of the Cranston-Gonzales National Affordable Housing Act, as amended, 42 U.S.C. 12701, and the regulations of the Department of Housing and Urban Development, codified as 24 C.F.R. Part 92.

“HOME-ARP-Assisted Units” means the units provided to low income persons under §2.02.

“HOME-ARP Agreement” means the HOME-ARP Program Agreement Between the Washoe County HOME Consortium and the Housing Authority of the City of Reno for the Project commonly known as Railyard Flats) executed contemporaneously herewith whereunder WCHC committed to lend \$1,000,000 to Owner for use with the Project.

“Note” means the Non-Recourse Promissory Note executed in connection with the Loan Agreement.

“Qualified renters” means a person or persons constituting a household who have a combined annual income that does not exceed the percentage specified in §2.02 below of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the lease of the unit who otherwise meet the requirements

for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income.

Art. 1 COVENANT RUNNING WITH THE LAND; TERM OF DECLARATION; PROGRAM REQUIREMENTS

§1.01 *Covenant Running with the Land.*

OWNER HEREBY DECLARES that the Property is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions contained in this Declaration as an equitable servitude, and shall constitute benefits and burdens to the Owner and its successors and assigns and to all persons hereafter acquiring or owning any interest in the Project or Property, however such interest may be acquired.

§1.02 *Term of Declaration.*

All provisions in this Declaration shall remain in force and effect for the Affordability Period and Additional NonFederal Affordability Period set forth below. Upon the expiration of the Affordability Period, WCHC shall prepare and record a notice of termination of this Declaration.

§1.03 *Overall Program Requirements.*

Except as otherwise set forth in this Agreement, Owner agrees to the terms set forth in and agrees to perform all requirements to be performed by sub-recipients set forth in HOME Regulations applicable to the Project including, but not limited to, 24 CFR §§ 92.251; 92.252, 92.253; 92.350 through 92.358; and 92.504 as implemented herein, but if there is nothing in this Agreement about a particular provision in the HOME Regulations, the regulation will apply as if set forth fully herein.

Art. 2 AFFORDABILITY REQUIREMENTS

§2.01 *Affordability Period.*

a. Federal Minimum. The minimum affordability period under HOME-ARP for this Project is 15 years.

b. Affordability Period. Subject to the federal minimum, the Affordability Period may be amended by agreement of the parties *provided however* that any reduction beyond the federal minimum must be approved by WCHC in its sole and absolute discretion for good cause shown and based on a determination that a reduction is in the best interests of the public, and further provided that any extension in this period must be approved by Owner in its sole and absolute discretion and without any obligation to do so.

c. This Affordability Period is independent of and applies without regard to the term or early repayment of the Note, repayment of the HOME-ARP investment, or transfer of ownership. [24 CFR 92.252(e)(1)(i)]

d. Additional Non-Federal Affordability Period. Notwithstanding the Federal minimum Affordability Period, the parties agree that the Project shall be subject to an additional non-federal period of affordability of 15 years (“**Additional Non-Federal Affordability Period**”), which shall run consecutive to the Affordability Period and also be secured by the Declaration. The Additional Non-Federal Affordability Period is independent of and applies without regard to the term or early repayment of the Note, repayment of the HOME-ARP investment or transfer of ownership. The Additional Non-Federal Affordability Period may be amended by agreement of the parties *provided however* that any reduction must be approved by WCHC in its sole and absolute discretion for good cause shown and based on a determination that a reduction is in the best interests of the public, and further provided that any extension in this period must be approved by Owner in its sole and absolute discretion and without any obligation to do so.

§2.02 *Income and Rent Restrictions; units selected on floating basis.*

a. During the Affordability Period and Additional Non-Federal Affordability Period, HOME-ARP-Assisted Units shall be set aside and rented to persons with the income limits stated above. The HOME-ARP-Assisted Units to be occupied by qualifying tenants may be selected on a floating basis so long as the total number of units is continuously maintained. [24 CFR 92.252 (j)]

- b. Rents and utility allowances shall be collected as stated above, subject to §2.03.

§2.03 *Rent calculations and adjustments.*

a. Annual Updates of Utility Allowances. Owner must update the maximum allowance for utilities annually (if applicable), using the HUD Utility Schedule or otherwise determining the utility allowance for the Project based on the type of utilities. The annual updates must be reviewed and approved by WCHC. [24 CFR 92.252 (d) (1)]

b. Annual approval of rent schedules. Owner must submit rent schedules with respect to the HOME-ARP-Assisted Units annually for approval by WCHC. [24 CFR 92.252(d)(2)]

c. Subsequent rents during the Affordability Period and Additional Non-Federal Affordability Period. [24 CFR 92.252(f), (g), (h)]

1. The maximum HOME rent limits shall be annually recalculated as HUD determines fair market rents and median incomes and provides new maximums.

2. WCHC shall inform Owner of HUD maximum rent adjustments as they are announced.

3. Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of the project. [24 CFR 92.252 (g)]

4. Pursuant to 24 CFR 92.252(b)(2), if the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

d. Maximum Rent. Owner agrees that maximum rents charged shall not exceed those calculated per this Declaration and HOME Regulations, including annual HOME Program Rent tables provided by HUD. Rents may not exceed thirty percent (30%) of the targeted AMI for the family size. The maximum rent includes the applicable utility allowance and may be determined using the following formula.

$$\text{Targeted AMI for family size} / 12 \times 30\% = \text{gross rent}$$

e. Rent Increases. All rent increases with respect to the HOME-ARP Assisted

 Declaration of Restrictive Covenants

Units in excess of **five percent (5%) per year** of the then current tenant rent must be approved by the WCHC.

Owner shall give a minimum of forty-five (45) days written notice of an increase in rent with respect to the HOME-ARP-Assisted Units or as otherwise as provided in NRS 118A.300, if such period is longer. Rent increase should be at the time of lease renewal. HUD rent limits may decrease, but rents in assisted units do not have to be reduced below the highest rent attained since the time of funding.

§2.04 *Tenant Income determinations.*

a. Tenant income shall be calculated in accordance with 24 CFR 92.252 (h), using the following methods as set out in 24 CFR 92.203:

(i) For initial determinations, use two (2) months of source documents as provided in 24 CFR 92.203 (a)(1)(i).

(ii) For subsequent determinations, obtain the written statement from the family required by 24 CFR 92.203(a)(1)(ii) unless the tenant is receiving benefits from another government program that verifies income, in which case the certification from the other government agency may be used as provided in 24 CFR 203 (a)(1)(iii). A full income determination is required by HUD of each HOME-assisted resident every six (6) years of the Affordability Period.

b. Annual Income calculation. In calculating annual income, if available, use the adjusted gross income for purposes of reporting under Internal Revenue Service Form 1040 as provided by 24 CFR 92.203(b)(2), subject to the exclusions set out in 24 CFR 92.203 (c) and the requirements of 24 CFR 92.203 (d).

§2.05 *Over Income Tenants.*

Tenants who initially qualified for occupancy of a HOME-ARP-Assisted Unit but subsequently earn income that exceeds the qualifying amount may remain in the HOME-ARP-Assisted Unit and pay rent in accordance with 24 CFR 92.252 (i).

Art. 3 TENANT SELECTION AND PROTECTIONS

§3.01 *Tenant Selection.*

a. Affirmative marketing; nondiscrimination. Owner shall adopt and follow

written tenant selection policies in accordance with 24 CFR 92.253 (d) and Nevada anti-discrimination laws, including but not limited to NRS 118A.010 – 120.

§3.02 *Student Participation Limitations.*

Under 24 CFR 5.612 students who (i) are enrolled in a higher education institution; (ii) are under the age of 24; (iii) are not veterans of the U.S. military; (iv) are not married; (v) do not have dependent children; (vii) are not persons with disabilities; and (viii) are not otherwise individually eligible or have parents who individually or jointly are not eligible on the basis of income may not occupy the HOME Rent Restricted Units.

§3.03 *Tenant Leases; termination of tenancy.*

a. Tenants must sign an initial one (1) year lease, unless mutually agreed by tenant and landlord.

b. Tenant leases may not contain any of the prohibited provisions in 24 CFR 92.253(b) and are further governed by NRS 118A.200 through 230.

c. Owner may not terminate tenancy or refuse to renew a lease of HOME-ARP-Assisted Units except for (i) serious or repeated violation of the terms and conditions of the lease, (ii) for violation of applicable federal, state or local law, (iii) or for other good cause, which does not include an increase in the tenant's income or refusal of the tenant to purchase housing. [24 CFR 92.253 (c)]

d. To terminate or refuse to renew tenancy, Owner shall serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of the tenancy. [24 CFR 92.253(c)]

§3.04 *Maintain unit habitability and comply with NRS Chapter 118A.*

a. Owner shall maintain all HOME-ARP-Assisted units in a habitable condition as defined in NRS 118A.290. WCHC shall have independent standing and the right on behalf of tenants in HOME assisted units to pursue the remedies in NRS 118A.355 and 118A.360.

b. Owner shall comply with all applicable provisions of Nevada Landlord-Tenant law as it applies to dwellings. See NRS Chapter 118A, and if dwellings are manufactured homes, NRS Chapter 118B.

§3.05 *Fees by Owner.*

Owner shall not charge fees prohibited by 24 CFR 92.504(c)(3)(xi). For rental housing, Owner may charge reasonable application fees to prospective tenants and other fees (such as parking fees) only to the extent that they are reasonable and customary for the project area, and fees for services provided to tenants, provided that these services are not mandatory.

§3.06 *Tenant relocations.*

The provisions of 24 CFR 92.353 shall apply to any tenant that is displaced as a result of the construction or rehabilitation of the Project.

Art. 4 **PROPERTY MANAGEMENT**

§4.01 *Maintenance.*

Owner shall keep the Project in a clean, well maintained condition, reasonable wear and tear excepted. Landscaping shall be watered and groomed, and free of debris. Sidewalks shall be kept free of snow and clutter. Buildings shall be kept painted and roofs shall be maintained. Trash shall be kept in appropriate enclosures.

§4.02 *Compliance with laws.*

Owner shall obtain and keep current all permits and licenses to construct, repair, operate and maintain the Project and shall comply in all material respects with all federal, state, and local laws and regulations.

§4.03 *Safe and quiet environment.*

Owner shall provide and reasonably enforce regulations to assure that tenants have a safe, secure and quiet environment in which to live.

§4.04 *No transient units.*

None of the dwelling units in the Project shall be used at any time on a transient basis (i.e., less than 30 days) or will ever be used as a hotel, motel, dormitory, rooming house, nursing home, hospital, sanitarium, or rest home.

Art. 5 **FINANCIAL MANAGEMENT**

§5.01 *Compliance with OMB Circulars.*

a. Owner agrees to comply with the requirements of the United States Office of Management and Budget (OMB) Circulars, as amended or replaced with subsequent circulars, including, but not limited to 2 CFR Part 200.

b. Owner agrees that all costs of the Project shall be recorded by budget line items and be supported by checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payrolls, time records, invoices, contracts, vouchers, orders or other accounting documents which pertain, in whole or in part, to any project receiving funds pursuant to this agreement shall be thoroughly identified and readily accessible to the WCHC.

c. Owner agrees that excerpts or transcripts of all checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents related to or arguably related to any related projects receiving funds pursuant to this agreement will be provided upon written request to the WCHC.

Art. 6 INDEMNIFICATION AND LIABILITY INSURANCE.

§6.01 Indemnification.

To the fullest extent provided by law, Owner shall indemnify, hold harmless and defend WCHC and its related parties from and against all claims and liability arising out of and to the extent caused by the acts, errors, or omissions of Owner and its related parties arising out of the administration of this Declaration to the extent caused by an act, error or omission of the Owner or a related party. **“Arising out of the administration of this Agreement”** means the performance of any task, responsibility or the pursuit of any right with respect to the construction, rehabilitation, maintenance and operation of the Project. **“Act, error or omission”** includes acts, failure to act, errors, or omissions that constitute negligence, willful tortious conduct, or for which strict or imputed liability may be imposed as determined by a court of competent jurisdiction under applicable law, and further includes breaches of this agreement and/or violations of law. **“Claims and liability”** means all third party claims, actions, damages, losses, judgments, injuries, costs and expenses, (including those paid to settle the case) including but not limited to reasonable attorneys’ fees and costs, including those related to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (including the loss of use resulting therefrom) and other economic damages but excluding any consequential losses, damages or claims. **“Defend”** includes the obligation to defend litigation at the indemnifying party’s sole expense using counsel that is reasonably acceptable to the indemnified party. Each indemnified party shall be permitted to participate, if it chooses, in the defense of any action

claiming liability, even if the indemnified party is indemnified hereunder, provided that no settlement with respect to any claim under any such action shall be permitted without Owner's consent (to be given or withheld in Owner's sole and absolute discretion). "**Related Party**" is as defined in the "Definitions" above but also includes volunteers of Owner.

§6.02 *Liability Insurance.*

a. Unless otherwise agreed in a subordination agreement, intercreditor agreement, the Deed of Trust or Loan Agreement, at all times during the term of this Declaration, Owner shall procure and maintain, at its sole expense, the following commercial general liability insurance coverage:

1. At least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 04/13 or an equivalent form. The Comprehensive General Liability Coverage shall include, but is not limited to, liability coverage arising from premises, operations, independent contractors, products and completed operations, personal and advertising, injury, blanket contractual liability and broad form property damage.

2. The following coverage shall not be limited, by endorsement or otherwise: (a) Contractual liability coverage, including the definition of "Insured Contract" and the contractual liability exception to the employer's liability exclusion; (b) Completed operations coverage, including the subcontractor exception to the "damage to 'your work'" exclusion; (c) the provisions of Subparts (5) and (6) of the "damage to property" exclusion pertaining to "that particular part..." in ISO form CG 00 01 04/13.

3. If any underground work will be performed, the policy shall be endorsed to include electronic data liability coverage form CG 04 37 (or equivalent) unless WCHC waives this requirement in writing. In addition, Explosion, Collapse, Pollution and Underground coverage must be reflected in the insurance certificates unless WCHC waives this requirement in writing.

4. Owner shall maintain limits of no less than **\$1,000,000 per** occurrence, **\$2,000,000** general aggregate products completed operations aggregate, or the amounts customarily carried by the Owner, whichever are greater. The general aggregate limit shall apply on a per project or location basis.

5. The policy shall include the City of Reno, including its elected officials, officers, employees, agents and volunteers as an additional insureds with respect to liability arising out of the activities performed by or on behalf of the Owner, including the insured's general supervision of the Owner, products and completed operations of the Owner and for premises

owned, occupied or used by the Owner. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds.

6. The Additional Insured Endorsements for General Liability shall be at least as broad as the unmodified ISO CG 20 10 04 13 and ISO CG 20 37 04 13 endorsements, or equivalent, including additional insured coverage for the Contractor's premises, operations products and completed operations exposures. The certificate shall confirm Excess Liability is following form.

7. Owner shall obtain and maintain Completed Operations Liability Insurance through the statute of repose after completion of the Project. The limit of Completed Operations Liability Insurance coverage shall be the same as the limit for General Liability.

8. Owner's insurance coverage shall be considered primary insurance. Any insurance or self-insurance maintained by WCHC shall be excess of the Contractor's insurance and shall not contribute in any way.

9. Owner's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

10. Any failure by the Owner to comply with reporting provisions of the policies shall not affect its obligations to the additional insureds.

11. Owner shall furnish WCHC a policy or certificate of liability insurance issued by an authorized representative of the insurance carrier including policy forms and endorsements confirming the required coverage. The contract number and name of contract for this project shall be included on the certificate.

Art. 7 RECORDS, INSPECTIONS

§7.01 *Records.*

a. Sufficiency. Records must be sufficient to determine compliance with the requirements and objectives of this Declaration and applicable federal laws and regulations.

b. Record retention. Owner will maintain records sufficient to meet the requirements of 24 CFR 92.508(a)(3). WCHC requires that all records pertaining to each fiscal year of program funds, federal and non-federal, must be retained for the most recent five year period, except as provided herein:

- (i) Records must be retained for five (5) years after the completion date.
- (ii) Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five (5) years after the Affordability Period and Additional Non-Federal Affordability Period terminate or the loan is repaid, whichever is later.
- (iii) Records for the disposition of non-expendable personal property valued at \$1,000 or more at the time of acquisition shall be retained for five (5) years after final disposition; and,
- (iv) Records relating to real property acquisition shall be retained for the Affordability Period and Additional Non-Federal Affordability Period,
- (v) *Provided, however,* that if any litigation, claim or audit is started before the expiration of the five (5) year period and extends beyond the five (5) year period, the records will be maintained until all litigation, or claims involving the records have been resolved, or audit findings involving the records have been received.

c. Access. Owner, its employees and agents, including all subcontractors or consultants to be paid from funds provided under this Declaration, shall allow access at reasonable times, following written notice to Owner of at least two (2) business days, to its records with respect to the Project and the Affordable Housing Municipal Loan Program to the WCHC's Lead Agency, the City of Reno, at no cost or expense to the WCHC for audit, examination and review by the WCHC, the Attorney General's Office, WCHC contracted independent auditors, HUD, the Comptroller General of the United States, or any combination thereof. Reasonable times will be construed according to the circumstances, but ordinarily will mean during normal business hours 8 a.m. to 5 p.m. local time, Monday through Friday.

§7.02 *Client Usage Records and reports.*

a. Client Usage records. Owner shall provide the WCHC with client usage records for the Project at the time of initial lease-up, as well as on a regular yearly basis at monitoring through submission of the Client Submission Report Form, available from WCHC. These records will contain, at a minimum, the following data, if applicable: (i) Total clients/tenants served; (ii) Client's/tenant's/household's name and unit number; (iii) Date of clients/tenants most recent income certification, client's/household's income and rent charged; (iv) Head of household information; (v) Number and percentage of Low and Very Low Income clients/tenants as defined

by HUD Income Limits for Low-Income and Very Low-Income Families under the Housing Act of 1937; (vi) Number of handicapped client/tenants served; (vii) Number of senior citizens served; (viii) Number of persons in each household served; (ix) Utility allowance, if any; (x) Amount of any subsidies (e.g., Section 8); and (xi) Primary language spoken in the family.

b. Homeless Tenants. For any project targeting homeless individuals and families, all households must execute a Certification of Homelessness prior to placement, and all household members must be entered into the Homeless Management Information System (HMIS) within seven (7) days from the initiation of services and includes, but is not limited to, all mandatory fields. Data shall be maintained at a ninety percent (90%) quality standard.

§7.03 *Inspections, Monitoring and Audits*

a. Inspections and Monitoring. Following prior written notice to Owner of at least two (2) business days, Owner shall allow duly authorized representatives of WCHC to go on the Property during reasonable business hours (and to Owner's place of business if Project records are kept there) and conduct such occasional reviews, audits and on-site monitoring the WCHC deems to be appropriate in order to determine, among other things: (i) Whether the objectives of the HOME program are being achieved; (ii) Whether their activities are being conducted in an efficient and effective manner; (iii) Whether management control systems and internal procedures have been established to meet the objectives of the HOME Program; (iv) Whether the financial operations, as they pertain to this Declaration, are being conducted properly; (v) Whether the periodic reports to the WCHC contain accurate and reliable information; (vi) Whether all of the HOME activities are being conducted in compliance with the provisions of Federal and State laws and regulations and this Agreement; (vii) Whether rents are being calculated and reported correctly as required by 24 CFR 92.252(f)(2); and (viii) Whether the Tenant Protections indicated in Article 3 are being observed.

b. Production of Records. All records reasonably requested by the WCHC in accordance with the terms and conditions set forth in this Declaration, the Loan Agreement, the Note or the Deed of Trust from Owner shall be made available to the WCHC's Lead Agency, the City of Reno, at no cost or expense to the WCHC.

c. Advance Notice. Visits by the WCHC to the Project shall be announced in advance of those visits by prior written notice of at least two (2) business days provided to Owner and shall occur during normal operating hours. The representatives of the WCHC may, from time to time, interview recipients of the Affordable Housing Municipal Loan Program-related housing services who consent to be interviewed. WCHC staff will also inspect property units during visits

and monitoring, subject to the rights of tenants. At Owner's election, Owner or its agent shall have the right to be present during such visits and interviews. All such visits and interviews shall be conducted subject to applicable lease terms and applicable law and shall be conducted in a manner to minimize disruption to tenants.

d. Access to units. At any time during business hours, and upon reasonable notice to tenants, and at reasonable times, WCHC shall be given access to the HOME-ARP-Assisted Units to inspect them for habitability and verify tenant occupancy and information.

Art. 8 ENFORCEMENT AND REMEDIES

§8.01 *Inability to rent.*

Within eighteen (18) months from the date of project completion (as evidenced by issuance of all applicable certificates of occupancy), if efforts to market a HOME-ARP Assisted Unit(s) are unsuccessful and such unit(s) is/are not occupied by an eligible tenant, HUD will require repayment of all HOME funds invested in the HOME Rent Restricted Unit(s).

§8.02 *Default.*

A default under this Declaration occurs if there occurs a breach of this Declaration, subject to applicable force majeure, notice and cure period provisions herein.

§8.03 *Notice and Opportunity to Cure.*

If WCHC believes that a default under this Declaration has occurred, it shall give the Owner and any limited partners listed above in "additional notices" notice in writing, and the Owner and limited partner shall have thirty (30) business days to cure the default (or such other cure period as specified in the Loan Agreement). If the Owner or a limited partner has commenced and is diligently pursuing a cure for the default, such cure period shall be extended as reasonably necessary to complete such cure.

§8.04 *Remedies.*

If a default occurs without excuse or discharge and remains uncured after written notice is provided to Owner thereof and the cure period specified in Section 8.03 has elapsed, WCHC may exercise any one or combination of the following remedies, and the rights and remedies herein are cumulative so that the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy for the same

default or any other default:

1. Accelerate and demand payment under the Note and pursue any remedy under the Note, the Deed of Trust, and/or the Loan Agreement, unless otherwise agreed under a subordination agreement or the Note and Deed of Trust have been extinguished due to foreclosure of senior debt;
2. Seek injunctive relief for specific performance of rent restrictions or other obligations under this Declaration; and/or
3. If the default is related to the condition of the property or the treatment of tenants, WCHC may expend funds to correct the default which will be considered as additional advances under the Deed of Trust, or if the Deed of Trust has been extinguished, shall constitute a lien on the Property under the provisions of NRS 108.221 through 108.246.

Notwithstanding anything to the contrary in this Declaration, WCHC agrees that any cure of any default made or tendered by any member or partner of Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected by WCHC on the same basis as if made or tendered by Owner.

§8.05 *Waivers.*

Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or pursue any remedies. Waivers are binding on a party only if expressed in writing signed by an authorized officer of the waiving party.

§8.06 *Attorney's fees and costs.*

If either party brings any action or proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs as determined to be just under the circumstances by the Court.

Art. 9 **GENERAL TERMS**

§9.01 *Time Frames and Deadlines.*

The parties agree to accomplish the actions within the time frames or deadlines stated

above. Time is of the essence in the performance of the obligations in this Declaration. Unless otherwise specified: (i) the term “days” means calendar days; (ii) the term “business days” means days that both parties are open for business – generally excluding weekends and holidays recognized in Nevada; (iii) if a deadline falls on a weekend or holiday, then performance is due on the next following business day of the recipient of the performance; and (iv) performance is due by 5 p.m. PST on the day of deadline.

§9.02 *Assignment, Transfer of Project; Binding Effect.*

a. This Declaration is a covenant running with the land and shall be binding on all future owners of the Property and their heirs, successors, trustees, representatives and permitted assigns.

b. Consent required for transfers. Except for transfers permitted in the Loan Agreement, for the duration of the Affordability Period, Owner shall not transfer or dispose of all or any part of the Project without obtaining the written consent of WCHC. Any unpermitted transfer is void. If WCHC consent is required, Owner shall submit to WCHC a request for approval of the sale, transfer or other disposition of the Project no later than 90 days before the anticipated sale, transfer or other disposition.

§9.03 *Standards for Approvals; Further acts and assurances.*

a. Unless otherwise specified (such as with the words “sole discretion”) wherever this Declaration requires the approval of a party, or any of a party’s officers, agents or employees, such approval shall not be unreasonably withheld delayed or conditioned.

b. The WCHC is an inter-governmental body whose decisions are legislative functions that may be subject to public hearings and input, and, except as otherwise provided herein, shall have sole and absolute discretion to approve or disapprove any matter submitted to them provided, however, that decisions are not procured by fraud or bribery, or are arbitrary, capricious or an abuse of discretion.

c. WCHC and each successive owner of the Property shall take all reasonable actions and enter into, execute and deliver all documents reasonably required by the other party to carry out the terms of this Declaration, provided that no such action or documentation shall result in a material change to the terms and conditions of this Declaration, or, if applicable, the HOME-ARP Program Agreement, the Deed of Trust, the Note or any document executed in connection therewith or any greater liability of Owner or its affiliates. This provision survives the termination of this Declaration.

§9.04 Notices.

a. Notices hereunder must be in writing which shall be mailed or personally delivered to each party at the address specified above or to a successor owner at the Property address. Notice is deemed received by the other party upon the earlier of (i) when actually received; (ii) three (3) business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail; or (iii) two (2) business days after having been submitted for delivery by reputable overnight courier. Failure to provide copies of additional notices as set forth herein does not affect the validity of notices to the property owner.

b. So long as Developer/Owner owns the Property, copies of notices shall be provided as specified above. Failure to provide copies does not negate or impair the notice given to a party.

§9.05 Severability.

In the event that any word, clause, or provision herein is declared by a court of competent jurisdiction to be invalid, unenforceable, or contrary to public policy, then such offending provision shall be deemed, from the very beginning, to have been modified to the extent to bring it within the limits of validity or enforceability. If, however, such offending provision cannot be so modified, then it shall be severed from this Declaration. In either event (modification or severance), all remaining words, phrases, clauses and provisions herein remain fully enforceable.

§9.06 Applicable law; Jurisdiction.

The interpretation and enforcement of this Declaration shall be governed by the laws of Nevada. Actions to enforce this Declaration shall be brought in the Second Judicial District Court in and for Washoe County, Nevada.

§9.07 Interpretation of this Agreement.

Titles and headlines of this Declaration are intended for editorial convenience and are not to be construed as a part of this Declaration. The word "include" or "including" is not intended as a limitation and shall be construed to include the words "but not limited to." Unless otherwise specified, the word "herein" means anywhere in this Declaration or the attachments. Any reference to the masculine genders includes, where appropriate in the context, the feminine gender. Any term in the singular includes, where appropriate in the context, the plural. The Parties hereto were each advised by counsel in drafting and negotiating this agreement, and each Party contributed to its contents. No presumptions against or in favor of any party are appropriate

based on who drafted this Declaration or any provision herein.

§9.08 *Warranties of Authority.*

Each party who signs this Declaration represents and warrants that he/she has obtained all necessary approvals and has actual authority to execute this Declaration with the effect of binding his/her principal.

§9.09 *Modifications; Authority to administer and approve changes.*

a. This Declaration may not be modified or amended and no waivers are effective unless expressed in writing and duly signed by the party to be bound by the modification, amendment or waiver.

b. In addition to the Authorized Representative specified above, the City Manager of the City of Reno shall have the authority to act as an Authorized Representative. Each Authorized Representative, acting alone, shall have the authority to execute all deeds, escrow instructions, settlement statements, title insurance instructions, agreements, notices and other instruments necessary to effectuate the purposes of this Declaration, and each Authorized Representative may accept all performances, and waive or negotiate remedies for defaults and implement this Declaration *provided, however that* any such action that materially or substantially changes the uses or development permitted on the Property, reduces the amount owed or adds to the cost incurred by a party shall require the consideration of and written consent of the governing body of the party. For example, and subject to the foregoing limitation, each Authorized Representative, acting alone, shall have the authority to (i) issue interpretations, grant waivers, and/or enter into certain amendments to this Declaration on behalf of his/her principal; (ii) agree to loan assumptions, contract assignments or substitution of parties; (iii) enter into subordination agreements or estoppels to evidence that this Declaration is subordinate to any applicable senior financing; (iv) execute other documents as reasonably requested by any tax credit investor or senior financing lender in order to effect a closing of the financing of the Project; (v) waive or modify any insurance requirements set forth herein if (A) such insurance is determined by such Authorized Representative not to be commercially available on commercially reasonable terms or (B) the insurance obtained by Developer, subject to such waiver conforms to the requirements of all applicable senior lenders; (vi) extend times of performance under this Declaration; and (vii) initiate and settle any litigation to enforce the provisions of this Declaration.

§9.10 *Entire Agreement; Counterparts.*

This Declaration shall be effective on the date it is duly executed by all of the parties. The parties agree that this Declaration, together with its attachments, contains the entire agreement of the parties and supersedes any written or oral representations, promises, warranties, or other undertakings made during the negotiation of this Declaration. This Declaration may be executed in counterparts and is effective when each party receives a complete set of counterpart signature pages.

////////////////////////////////////counterpart signature pages follow////////////////////////////////////

Declaration of Restrictive Covenants
(Railyard Flats; HOME-ARP Program Agreement)

Counterpart Signature Page

WCHC: Washoe County Home Consortium

By City of Reno, Lead Agency

By _____ Date _____
Doug Thornley, City Manager

STATE OF NEVADA)
) Acknowledgement in Representative Capacity
COUNTY OF WASHOE) (NRS 240.1665)

This Instrument was acknowledged before me on _____
by DOUG THORNLEY as City Manager of the City of Reno.

Notary Public

Approved as to Legal Form
KARL HALL, City Attorney

By _____
Deputy City Attorney

**EXHIBIT A
LEGAL DESCRIPTION**

**Railyard Flats
APN 032-124-22**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED RENO, IN THE COUNTY OF WASHOE, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

All that certain real property situate in the City of Sparks, County of Washoe, State of Nevada, described as follows:

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:
All that real property depicted as Parcel A, and lying within the exterior boundary thereof, as shown on REVERSION TO ACREAGE TRACT MAP FOR MICHAEL J. MCGONAGLE, MINH D. NGUYEN & DANIEL LAZAARESCHI, filed in the office of the County Recorder, Washoe County, State of Nevada on July 26, 2022, as File No. 5321064, Map No. T5499, Official Records.

APN: 032-124-22

Document No. 5321064 is provided pursuant to the requirements of Section 6, NRS 111.312

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 11****February 27, 2024**

SUBJECT: Discussion and possible approval of a contract extension with Nan McKay and Associates, Inc., through June 30, 2024, for an amount not to exceed \$50,000, to continue providing third-party consulting and finance services to RHA. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

The Board previously approved a contract with Nan McKay and Associates, Inc., at its September 8, 2023, Special Meeting. Under the contract, assigned Nan McKay staff provided support and finance services to RHA, including acting as the interim Director of Finance, preparing the HUD Financial Data System (FDS) submission, liaising with Clifton Lawson Allen (CLA) on the agency audit, and working with RHA staff on the Yardi conversion. The current contract was capped at \$94,500 and expires on February 28, 2024.

RHA recently hired a Director of Finance and would like to extend the contract with Nan McKay and Associates, Inc., to assist during this transitional period. A contract extension will allow time for Nan McKay staff to work with the new Director and CLA to finish any remaining items for the audit, prepare needed changes to the FDS submission, train the Director on current finance department processes, and assist with preparation of the FY24-25 proposed budget. Without this assistance, it will be significantly more difficult to accomplish these tasks as it will take more time for the new Director to come up to speed and to learn RHA's and HUD's systems and processes.

Nan McKay and Associates, Inc. routinely works with Public Housing Authorities (PHA) and has substantial experience with HUD financial requirements. RHA has utilized Nan McKay's services in the past with great success and already had a contract with them for more limited assistance. The main contractors under this engagement are Michael Petro and John Murphy, both of which are very familiar with RHA's financials and staff.

For these reasons, staff are requesting to extend the contract through the end of the current fiscal year, June 30, 2024, at an amount not to exceed \$50,000. A draft of the contract is attached. It provides an estimated \$35,000 in services. However, increasing to \$50,000 allows for contingency should travel expenses exceed those estimated and/or should additional on-site time be needed for assistance. Nan McKay has continued to provide a reduced hourly contractor rate from \$135 per hour to \$120 per hour as part of this extended contract.

Staff Recommendation and Motion:

Staff recommends that the Board of Commissioners approve the contract with Nan McKay and Associates, Inc., allocate \$50,000 to fund the contract, and authorize RHA's Executive Director to sign, execute, and record all required documents.



**TRANSITION OF NEW FINANCE DIRECTOR
FOR RENO HOUSING AUTHORITY**

TRANSITION OF NEW FINANCE DIRECTOR

Nan McKay & Associates, Inc. (NMA) is prepared to provide the Reno Housing Authority (RHA) with assistance with the transition of the new Finance Director. Recently the RHA hired a new Director of Finance, NMA will provide both onsite and offsite assistance during this transition through June 30, 2024.

Approach

Nan McKay will continue to provide the experienced resource that has been working with the agency. They will work with the New Finance Director and provide both onsite and offsite assistance. This assistance will include guidance on the financial processes of the RHA as well as some training associated with HUD regulations. The assistance will be limited to the hours available in this proposal.

Key Personnel

The NMA consultants include some of the top financial talent in the housing industry. Our team of financial experts have broad-based knowledge in financial management and reporting for both HUD’s HCV program and public housing program. Their experience includes providing financial reviews, accounting services, unit and funds utilization for the HCV program, year-end reconciliations, assistance with VMS and REAC reporting, financial management compliance reviews and financial management technical assistance.

<p>Michael Petro <i>Role: Engagement Manager</i></p>	<p>Michael Petro, Engagement Manager / Financial Consultant, joined NMA in January 2019 as the vice president of finance. Previously, he worked briefly for BDO when Casterline Associates, the firm he helped build and manage, combined with BDO’s existing housing practice in March 2018. Michael has specialized in LIPH and HCV accounting since 1991. He started in the affordable housing industry in the accounting department for a Connecticut PHA. Since then, Michael has worked with over 150 PHAs, ranging from less than 100 to 40,000 units.</p>
<p>John Murphy, CPA <i>Role: Senior Financial Consultant I</i></p>	<p>John Murphy, CPA, is a NMA Financial Consultant. John brings with him nearly 30 years of audit and financial management experience within the affordable housing industry. John began his public housing service in 1992 in the internal audit department of a large PHA in Tennessee working to move the</p>



**TRANSITION OF NEW FINANCE DIRECTOR
FOR RENO HOUSING AUTHORITY**

	PHA from troubled to a high performer. John has held various positions with several PHAs specializing in compliance, finance, and as executive director.

Investment

This proposal is for (1) 2 site visits, 1 week for each visit with a maximum of 35 hours each week. Additionally, (2) the NMA resource will be available offsite for up to 180 hours to ease the transition of the new Director of Finance. The ODC’s are estimates and will be invoiced at actual cost. NMA works to ensure the best possible cost associated with travel and requests an at cost reimbursement.

(1) Onsite - 2 weeks				
Resource		Rate	# of Hours	Cost
Senior Financial Consultant I		\$ 120.00	70	8,400
			ODCs	5,000
Cost Estimate for 2 Onsite visits - Total				13,400

(2) Offsite Billable Time Estimate for 6 months				
Resource		Rate	# of Hours	Cost
Senior Financial Consultant I		\$ 120.00	180	21,600
Cost Estimate for Offsite Time - Total				21,600

Grand Total - (1) On and (2) Offsite				
Resource				Cost
(1) OnSite Assistance				13,400
(2) OffSite Assistance				21,600
Cost Estimate for Onsite and Offsite Assistance - Total				35,000

Pricing & Billing

NMA will invoice this Agreement monthly as the services are provided. Please note that the pricing presented herein is valid for thirty (30) days.

Offering of Employment

Per this Agreement, the RHA may not extend an offer of employment to the consultants assigned to this project.



**TRANSITION OF NEW FINANCE DIRECTOR
FOR RENO HOUSING AUTHORITY**

Publicity

Neither party shall issue a press release or other public statement regarding the relationship of the parties or this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, RHA agrees that NMA may list RHA as one of its agencies in NMA’s marketing materials.

Governing Law

The final Agreement shall be governed by and construed in accordance with the laws of the State of California and the laws applicable therein.

Acceptance

RHA indicates their acceptance of this Agreement by signing in the appropriate space provided below and returning a signed copy to NMA. Once received by NMA, it will be countersigned, and a fully executed copy will be provided to RHA.

IN WITNESS WHEREOF, RHA and NMA have executed this Agreement through their duly authorized officers this _____ day of _____, ____.

For Nan McKay and Associates, Inc.:

For Reno Housing Authority:

Date: _____

Date: _____

By: _____

By: _____

Signature

Signature

Michael Petro

Printed Name

Printed Name

Vice President of Finance

Title

Title

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 12

February 27, 2024

SUBJECT: Discussion and possible approval of RHA's amended State of Nevada Home Means Nevada Initiative (HMNI) grant agreement for John McGraw Court and Silver Sage Court and acceptance of \$2,000,000 in additional HMNI funds. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

This item is pulled from this agenda.

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 13****February 27, 2024**

SUBJECT: Discussion and possible action to appoint two RHA Commissioners to the Pathways to Prosperity 501(c)3 Board, two RHA Commissioners to the Truckee Meadows Affordable Housing 501(c)3 Board, and direction to staff regarding the appointment of the remaining one (1) Board member, per each non-profits respective Bylaws, for each of the Pathways to Prosperity and Truckee Meadows Affordable Housing Boards. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

With Board approval of the formation of two 501(c)3 non-profit corporations on July 25, 2023, and by-law approval at the January 23, 2024, Board of Commissioners meeting, staff is moving forward with the next step in the formation of these entities which is the appointment of the full Board of Directors for each entity. This is required before filing Articles of Incorporation for each entity.

To facilitate the appointment of all five (5) members of each Board of Directors, clarification within the by-laws was needed to establish the process to be utilized for the initial appointment of the fifth Director of each Board. In addition, the identification of the two RHA Board of Commissioners to serve on each of the Board of Directors was clarified for ease of appointment initially and in the future.

The by-laws of each corporation were revised to identify that the two RHA Board of Commissioners who will serve on each of the 501(c)3 Boards will be the current Chair and Vice-Chair of RHA's Board of Commissioners. Updates were also made to identify that an application process will be used to identify eligible candidates for each Board's fifth member. The initial appointment of this member will fall to RHA's Board of Commissioners following the identified application process, with subsequent appointments being made by the respective 501(c)3 Board.

Staff recommends approval of the updated by-laws for Truckee Meadows Affordable Housing and Pathways to Prosperity. If approved, staff will post the application for interested parties to apply for each Board on its website and provide received submissions to RHA's Board for review and appointment at the April 2024 RHA Board Meeting.

Staff Recommendation:

The Board moves to approve the revised by-laws for Truckee Meadows Affordable Housing and for Pathways to Prosperity as presented.

**BYLAWS OF
PATHWAYS TO PROSPERITY
A Nevada Nonprofit Corporation**

**ARTICLE I
Name, Office, & Purpose**

Section 1. Name. The name of the Corporation shall be Pathways to Prosperity (herein “Corporation”). The name of the Corporation may be changed from time to time by the Board of Directors.

Section 2. Office(s). The principal office for the transaction of the activities and affairs of the Corporation shall be in Washoe County, Nevada, at a specific location or locations to be determined by the Board of Directors. The Board may change the location of the principal office from time to time. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location. The Board may at any time and from time to time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities, and upon such terms as are appropriate and convenient to the Corporation.

Section 3. Purpose.

This Corporation is organized and at all times shall be operated exclusively for charitable purposes. Subject to the limitations stated in the Articles of Incorporation, the purposes of this Corporation shall be to engage in any lawful activities, none of which are for profit, for which Corporations may be organized under the Internal Revenue Code, as amended, and as referenced in the Articles of Incorporation.

The purpose of the Corporation is to provide growth and self-sufficiency opportunities for low-income Nevadans through participant-focused pathways, resources and training that bolster participants’ quality of life and independence. The Corporation encourages and accepts gifts and donations and directs their use for its purposes as well as the tax-exempt services of The Housing Authority of the City of Reno, a Nevada public body charged with providing fair, sustainable, quality housing in diverse neighborhoods throughout Reno, Sparks and Washoe County that offers a stable foundation for low-income families to pursue economic opportunities, become self-sufficient and improve their quality of life.

**ARTICLE II
Members**

The Corporation shall have no members. Subject to the requirements of the Articles of Incorporation of the Corporation, any action which would otherwise require approval by a majority of all members or approval by the members shall only require approval of the Board of Directors, and all rights which would otherwise vest in the members shall vest in the Directors.

ARTICLE III Board of Directors

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held at such place as the Board of Directors may from time to time determine in the fourth week of December each year, or at such other place, date or time as may be selected by the Board of Directors (hereinafter "Board"), for the transaction of such business as may be brought before the meeting.

Section 2. Number. The number of Directors shall consist of five (5) Directors. One (1) Director shall be the Deputy Executive Director of Programs of the Reno Housing Authority, one (1) Director shall be the Director of Finance of the Reno Housing Authority, one (1) Director shall be the Board Chair of the Board of Commissioners of Reno Housing Authority and two and one (21) Directors shall be members of the Vice-Chair of the Board of Commissioners of Reno Housing Authority to be selected by the Reno Housing Authority Board of Commissioners. The initial appointment of the fifth Director shall be an individual selected by the Reno Housing Authority Board of Commissioners preferably with background and/or experience in fundraising, grant writing, work force/workforce development or another field related to the Corporation's mission. Any Board member may nominate a qualified individual for consideration as the fifth Director or, alternatively, the The Board of Commissioners of the Reno Housing Authority may will solicit applications from eligible individuals through the President and who will present them to the Board of Commissioners of Reno Housing Authority for consideration and appointment.

The terms of the Deputy Executive Director of Programs of the Reno Housing Authority and the Director of Finance of the Reno Housing Authority shall expire at the time those individuals no longer hold the qualifying position with the Reno Housing Authority. The initial terms of the two (2) members of the Board of Commissioners of Reno Housing Authority shall be five-four (54) years and shall automatically terminate upon the Director no longer being a member of the Board of Commissioners of Reno Housing Authority or no longer holding the position of Board Chair or Vice Chair of the Board of Commissioners of Reno Housing Authority. The initial term of the fifth Director appointed by the Reno Housing Authority shall be three-two (32) years.

Section 3. Payment for Services. No Director shall be entitled to payment for services rendered to the Corporation. The compensation of the Executive Director and Director of Finance of the Housing Authority of the City of Reno shall be deemed included in the salary of the Executive Director and Director of Finance as provided by the Authority.

Section 4. Powers. Subject to the provisions of Chapter 82 of the Nevada Revised Statutes and any other applicable laws, and subject to any limitations in the Articles of Incorporation of the Corporation or other provisions of these Bylaws, the Corporations activities and affairs shall be conducted and all corporate powers shall be exercised by or under the direction of the Board.

Section 45. Term. Upon expiration of the initial terms of the Directors as provided for in Section 1 above, Directors shall serve terms of three (3) years in length. The Directors, other than the Deputy Executive Director of Reno Housing Authority and the Director of Finance of

the Reno Housing Authority, may be selected by the Reno Housing Authority Board of Commissioners at any meeting of that Board and may hold the position of Director for no more than three (3) consecutive terms. If a Director is selected to assume the office of a recently vacated seat on the Board, then the Director's term shall be treated as though it began in January following the appointment of the Director.

Section 6. Vacancies. A vacancy in the Board may be filled by a majority of the remaining Directors, though less than a quorum. One (1) Director shall be an individual preferably with background and/or experience in fundraising, grant writing, workforce development or another field related to the Corporation's mission. The Board will solicit applications from eligible individuals through the President who will present them to the Board for consideration and election. A vacancy on the Board shall exist upon: (1) the death or resignation of any Director; or (2) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by a final order of judgment of any court to have breached a duty imposed by law upon the Director. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires. Any Director of the Corporation may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Secretary of the Corporation. Such resignation shall take effect at the time specified therefore and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective. Any and all Directors may be removed, with or without cause, at a meeting called for that purpose, by a vote of a majority of the Directors with a quorum present.

Section 7. Place of Meeting. Regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time. Special meetings of the Board may be called by the Chair of the Board, or two (2) Directors, on twenty-four (24) hours' notice to each Director. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (1) by personal delivery of written notice; (2) by first-class mail, postage prepaid; (3) by telephone, either directly to the Director or to a person at the Director's office or home who would be reasonably expected to communicate that notice promptly to the Director; (4) by facsimile communication; or (5) by email. The notice shall be given or be sent to the Director's address or telephone number as shown on the records of the Corporation. If notice is given by mail, there shall be added three (3) business days to allow for delivery and receipt. The notice of a special meeting shall specify the purpose or purposes of the meeting. A special meeting of the Board may be held at any time or place without notice, if all Directors are present or consent thereto in writing before or after the meeting, or if those Directors who are not present consent thereto in writing before or after the meeting.

Section 8. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, except in any specific situations where the law requires otherwise. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of any Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 9. Adjournments. The majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given, before the time the adjourned meeting is restarted, to the Directors who were not present at the time of the adjournment.

Section 10. Action without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if a majority of the Directors then in office consent in writing to the action; provided, however, that the action of any Director who has a material financial interest in a transaction to which the Corporation is a party shall not be required or permitted for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. As used herein, "written" or "writing" shall include electronic forms of communication, so long as a printed copy of the electronic writing is made and included in the record of the meeting or action taken by consent.

Section 11. Committees of the Board. The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, and may elect or appoint such members as the Board deems appropriate as further set forth in Article IV.

Section 12. Telephone or Electronic Participation. Directors may participate in a meeting through use of conference telephone or similar electronic communication equipment, including web-based technology, so long as all Directors participating in such meeting can hear one another. Participation in a meeting through the use of such telephone or similar electronic communications equipment constitutes presence in person at the meeting.

Section 13. Self-Dealing Transactions.

1. No contract or other transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any corporation, firm, or association in which one or more of its Directors or officers are Directors or officers or are financially interested, is void or voidable solely for this reason or solely because any such Director or officer is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction, or because the vote or votes of common or interested Directors are counted for such purpose, if the circumstances specified in any of the following paragraphs exist:

(a) The fact of the common directorship, office or financial interest is disclosed or known to the Board of Directors and noted in the minutes, and the Board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose and the common or interested Director or Directors, does not participate in the discussion or action on the item; or

(b) The fact of the common directorship or financial interest is not disclosed or known to the Director or officer at the time the transaction is brought before the Board of

Directors of the Corporation for action provided that the contract or transaction is fair as to the Corporation at the time it is authorized or approved, and the common or interested Director or Directors do not participate in the discussion or action on the item.

2. All Directors will be counted in determining the presence of a quorum at a meeting of the Board of Directors thereof which authorizes, approves, or ratifies a contract or transaction, the common or interested Director or Directors a majority of the disinterested Directors may authorize, approve, or ratify a contract or transaction.

Section 14. Confidentiality. All members of the Board of Directors of the Corporation shall be required to adhere to the Confidentiality statement issued by the Corporation or the Reno Housing Authority. All Directors will be required to read and sign the Confidentiality Agreement and complete the Conflict of Interest Agreement, if any, prior to the beginning of their term.

ARTICLE IV Subcommittees of the Board

Section 1. Creation. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint standing or special committees, as it considers necessary for the operation or administration of the Corporation. These committees, to the extent provided in said resolution shall have and exercise the authority delegated to them by the Board of Directors and any actions taken by such committees are subject to approval by the Board of Directors at the next meeting of the Board. Each standing committee shall consist of two or more Directors, and each special committee shall consist of at least one Director. Members of each committee shall be nominated by the Chairman of the Board and be subject to approval by the Board of Directors. The Chairman of each committee shall be a Director of the Corporation nominated by the Chairman of the Board and approved by the Board of Directors and shall report on the activities of that committee at the regular meeting of the Board of Directors.

Section 2. Quorum. A quorum at a committee meeting exercising Board functions shall be a majority of all committee members in office immediately before the meeting begins. If a quorum is present, action may be taken by an affirmative vote of a majority of the committee members present.

ARTICLE V Officers and Executive Director

Section 1. Officers. The officers of the corporation shall be a President (who shall, by virtue of the office, be the Chairman of the Board of Directors), a Vice-President, a Secretary, and a Treasurer. The Corporation may also have at the discretion of the Board, such other officers as may be determined by the Board of Directors. The President/Chairman of the Board shall be the Executive Director of the Reno Housing Authority and the Treasurer shall be the Director of Finance of the Reno Housing Authority unless otherwise agreed upon by a majority of the Board. All other officers of the Corporation shall be chosen by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment to

which the officer is a party. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board.

Section 2. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board.

Section 3. President. The President shall be the Chair of the Board, and shall preside at all meetings of the Board. Unless the Board shall otherwise provide, the President shall sign and execute all authorized bonds, contracts, and other obligations in the name of the Corporation. The position of President will be held by the Deputy Executive Director of Programs of the Reno Housing Authority including any individual in an acting or interim Deputy Executive Director of Programs role of the Reno Housing Authority. The President will serve in their position with no term limit. Unless otherwise provided in these bylaws, the President shall have general management and control of and shall supervise and direct, the activities of the Corporation. The President shall at all times be subject to the instructions of the Board. The President shall perform all other duties required by law or by these Bylaws and such duties as the Board may from time to time require.

Section 4. Vice-President. In case of the absence or disability of the President, the Vice-President in charge of administration shall perform the duties of the office of the President. Vice-Presidents shall also perform such other duties and have such authority as may be prescribed from time to time by the Board or the President.

Section 5. Secretary. The Secretary shall keep the minutes of the meetings of the Board, unless some other person is designated by the recording secretary of the meeting. The Secretary shall give, or arrange to give, all notices of the Corporation. The Secretary shall have charge of all records, books, and papers pertaining to the office, the corporate seal of the Corporation, and such books and papers of the Corporation as the Board may direct; The Secretary shall perform all other duties required by law or these bylaws and such as the Board or the President may from time to time require.

Section 6. Treasurer. The Treasurer shall have overall, responsibility for all fiscal record keeping and all corporate funds. The Treasurer shall, with the President, sign all certificates, contracts or other documents in any way affecting real property or any right of interest therein. The position of Treasurer will be held by the Director of Finance of the Reno Housing Authority including any individual in an acting or interim Director of Finance role of the Reno Housing Authority. The Treasurer will serve in their position with no term limit. The Treasurer shall perform all the duties as from time to time may be assigned by the President or by the Board of Directors. The Treasurer, or such persons supervised by the Treasurer shall receive, receipt for, and safely keep all its funds, and shall dispose of them only in the manner authorized by the Board; shall at all times keep a full and complete and accurate record of the funds of the Corporation and shall deposit the same to the credit of the Corporation in such bank, banks, or depositories as the Board may designate.

ARTICLE VII

Records; Inspection; Annual Report

Section 1. Maintenance of Records. The Corporation shall keep at its principal office, or if its principal office is not in Nevada, at its principal office in Nevada, the original or a copy of the Articles of Incorporation and of the Bylaws, as amended to date. The Corporation shall take appropriate steps to protect the confidentiality of donors.

Section 2. Inspection. Every Director shall have the right at any reasonable time to inspect the Corporation's books, records, and documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make abstracts of documents, provided that the confidentiality of the corporate records and documents is protected.

Section 3. Annual Report. The Board shall cause an annual report to be sent to all Directors within one hundred twenty (120) days after the close of the Corporation's fiscal year. The Corporation's fiscal year shall be the calendar year.

ARTICLE VIII Execution of Instruments

Checks, drafts, and orders upon the funds or credits of the Corporation, bills, notes, and other obligations for the payment of money by the Corporation, and contracts and instruments in writing by the Corporation, shall be valid and binding upon the Corporation only when executed by such officer or officers as may be authorized by the Board or by these Bylaws.

ARTICLE IX Indemnification

Section 1. Right of Indemnity. To the fullest extent permitted by law, the Corporation shall indemnify its present and former officers, Directors, employees, and agents against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any threatened, pending, or completed action or proceedings, whether civil, criminal, administrative, or investigative, including an action by or in the right of the Corporation, by reason of the fact that the person is or was an officer, Director, employee, or agent of the Corporation. "Expenses" as used herein includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification.

Section 2. Approval of Indemnity. On written request to the Board of any person seeking indemnification under Section 1 of this Article IX, the Board shall promptly determine whether indemnification is permitted and, if so, shall authorize such indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 or 2 above in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of the undertaking by or on behalf of that person that the advance will

be repaid unless it is ultimately determined that the person is not entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. The Corporation may purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, Directors, employees, and agents against any liability asserted against or incurred by any of such persons in such capacity or arising out of the person's status as such wherever the Corporation has the power to indemnify the person against such liability under the provisions of Section 1 above.

ARTICLE X Amendments

These Bylaws may be altered, amended or repealed by a vote of two thirds (2/3rds) of the entire Board of Directors at any regular or special meeting called therefore with notice specifying purpose and providing written copies of the proposed amendments. Written notice of such proposed action must be given to the Directors at least seven (7) days prior to the date of such meeting. Directors not present at the meeting considering a proposed revision or amendment may express their approval in writing. No revision or amendment shall be adopted that would be inconsistent with the tax-exempt, non-profit status of the Corporation.

ARTICLE XI Gift Acceptance

Section 1. Acceptance. The Board of Directors may accept on behalf of the Corporation any gift, grant, bequest or devise for the general purposes of the Corporation. The Board of Directors may authorize any officer, agent or employee to accept on behalf of the Corporation any gift, grant bequest or devise and such authority may be general or confined to specific funds, accounts or purposes. The Board of Directors has the right to reject or refuse to accept any gift, grant, bequest or devise whenever it is deemed to be in the best interest of the Corporation to reject or refuse to accept such gift, grant, devise.

Section 2. Irrevocable. Unless the terms expressly provide otherwise, all gifts, grants, bequests and devises shall be deemed irrevocable.

Section 3. Restrictions. Any person and/or organization who shall give, bequeath or devise any property to the Corporation may make such gift subject to such conditions and limitations as to the use of the principal or income as he/she/they may see fit, and may specify such uses for the principal or the income as he/she may desire, provided such conditions, limitations, specifications and provisions are consistent with the general purposes of the Corporation and provided, further, that the Board of Directors has the right to reject or refuse to accept any such gift, grant, devise or bequest in the event it would not be in the best interest of the Corporation to accept such gift, grant, devise or bequest.

Section 4. Property. All such property received and accepted by the Corporation shall become a part of the Corporation property and, subject to any limitations, conditions or requirements, may be commingled with the other assets of the Corporation. However, such

property shall or may be placed in any number of separate accounts whenever the conditions, limitations or instruction of the gift, grant, bequest or devise required a separate fund or account, or whenever the Board of Directors, in its judgment, determines that such property should be placed in a separate and distinct fund or account.

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CERTIFICATE OF PRESIDENT

I certify that I am the duly elected and acting President/Chairman of the Board of Pathways to Prosperity, a Nevada nonprofit corporation, that the above bylaws, consisting of nine (9) pages, including this page, are the bylaws of said Corporation as adopted by the Board of Directors of the Corporation at its regular meeting held on _____, 2024.

EXECUTED on _____, 2023

President/Chairman of the Board

ATTEST:

Secretary of the Board

**BYLAWS OF
TRUCKEE MEADOWS AFFORDABLE HOUSING
A Nevada Nonprofit Corporation**

**ARTICLE I
Name, Office, & Purpose**

Section 1. Name. The name of the Corporation shall be Truckee Meadows Affordable Housing (herein "Corporation"). The name of the Corporation may be changed from time to time by the Board of Directors.

Section 2. Office(s). The principal office for the transaction of the activities and affairs of the Corporation shall be in Washoe County, Nevada, at a specific location or locations to be determined by the Board of Directors. The Board may change the location of the principal office from time to time. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location. The Board may at any time and from time to time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities, and upon such terms as are appropriate and convenient to the Corporation.

Section 3. Purpose.

This Corporation is organized and at all times shall be operated exclusively for charitable purposes. Subject to the limitations stated in the Articles of Incorporation, the purposes of this Corporation shall be to engage in any lawful activities, none of which are for profit, for which Corporations may be organized under the Internal Revenue Code, as amended, and as referenced in the Articles of Incorporation.

The purpose of the Corporation is to develop high-quality affordable housing for low-income individuals and families living in diverse neighborhoods throughout Reno, Sparks, and Washoe County. The corporation utilizes a variety of public and private funding sources including philanthropic and other charitable gifts to further its mission.

**ARTICLE II
Members**

The Corporation shall have no members. Subject to the requirements of the Articles of Incorporation of the Corporation, any action which would otherwise require approval by a majority of all members or approval by the members shall only require approval of the Board of Directors, and all rights which would otherwise vest in the members shall vest in the Directors.

ARTICLE III
Board of Directors

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held at such place as the Board of Directors may from time to time determine in the fourth week of December each year, or at such other place, date or time as may be selected by the Board of Directors (hereinafter "Board"), for the transaction of such business as may be brought before the meeting.

Section 2. Number. The number of Directors shall consist of five (5) Directors. One (1) Director shall be the Executive Director of the Reno Housing Authority, one (1) Director shall be the Director of Finance of the Reno Housing Authority, ~~and two one (2) Directors shall be members the Board Chair of the Board of Commissioners of Reno Housing Authority and one (1) Director shall be the Vice-Chair of the Board of Commissioners of Reno Housing Authority to be selected by the Reno Housing Authority Board of Commissioners.~~ The initial appointment of the fifth Director shall be an individual selected by the Reno Housing Authority Board of Commissioners ~~Commissioners~~, preferably with background and/or experience in affordable housing development or another field related to the Corporation's mission. ~~Any Board member may nominate a qualified individual for consideration as the fifth Director or, alternatively, the Board of Commissioners of Reno Housing Authority may will~~ solicit applications from eligible individuals through the President ~~and who will~~ present them to the Board of Commissioners of Reno Housing Authority for consideration and appointment.

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The terms of the Executive Director of the Reno Housing Authority and the Director of Finance of the Reno Housing Authority shall expire at the time those individuals no longer hold the qualifying position with the Reno Housing Authority. The initial terms of the two (2) members of the Board of Commissioners of Reno Housing Authority shall be five-four (54) years and shall automatically terminate upon the Director no longer being a member of the Board of Commissioners of Reno Housing Authority or no longer holding the position of Board Chair or Vice-Chair of the Board of Commissioners of Reno Housing Authority. The initial term of the fifth Director appointed by the Reno Housing Authority shall be three-two (32) years.

Section 3. Payment for Services. No Director shall be entitled to payment for services rendered to the Corporation. The compensation of the Executive Director and Director of Finance of the Housing Authority of the City of Reno shall be deemed included in the salary of the Executive Director and Director of Finance as provided by the Authority.

Section 4. Powers. Subject to the provisions of Chapter 82 of the Nevada Revised Statutes and any other applicable laws, and subject to any limitations in the Articles of Incorporation of the Corporation or other provisions of these Bylaws, the Corporations activities and affairs shall be conducted and all corporate powers shall be exercised by or under the direction of the Board.

Section ~~4~~5. Term. Upon expiration of the initial terms of the Directors as provided for in Section 1 above, Directors shall serve terms of three (3) years in length. The Directors, other than the Deputy Executive Director of Reno Housing Authority and the Director of Finance of the Reno Housing Authority, may be selected by the Reno Housing Authority Board of

Commissioners at any meeting of that Board and may hold the position of Director for no more than three (3) consecutive terms. If a Director is selected to assume the office of a recently vacated seat on the Board, then the Director's term shall be treated as though it began in January following the appointment of the Director.

Section 6. Vacancies. A vacancy in the Board may be filled by a majority of the remaining Directors, though less than a quorum. One (1) Director shall be an individual preferably with a background and/or experience in affordable housing development or another field related to the Corporation's mission. The Board will solicit applications for vacancies of this position from eligible individuals through the President who will present them to the Board for consideration and election. A vacancy on the Board shall exist upon: (1) the death or resignation of any Director; or (2) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by a final order of judgment of any court to have breached a duty imposed by law upon the Director. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires. Any Director of the Corporation may resign at any time, either by oral tender of resignation at any meeting of the Board of Directors or by giving written notice thereof to the Secretary of the Corporation. Such resignation shall take effect at the time specified therefore and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective. Any and all Directors may be removed, with or without cause, at a meeting called for that purpose, by a vote of a majority of the Directors with a quorum present.

Section 7. Place of Meeting. Regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time. Special meetings of the Board may be called by the Chair of the Board, or two (2) Directors, on twenty-four (24) hours' notice to each Director. Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (1) by personal delivery of written notice; (2) by first-class mail, postage prepaid; (3) by telephone, either directly to the Director or to a person at the Director's office or home who would be reasonably expected to communicate that notice promptly to the Director; (4) by facsimile communication; or (5) by email. The notice shall be given or be sent to the Director's address or telephone number as shown on the records of the Corporation. If notice is given by mail, there shall be added three (3) business days to allow for delivery and receipt. The notice of a special meeting shall specify the purpose or purposes of the meeting. A special meeting of the Board may be held at any time or place without notice, if all Directors are present or consent thereto in writing before or after the meeting, or if those Directors who are not present consent thereto in writing before or after the meeting.

Section 8. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, except in any specific situations where the law requires otherwise. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of any Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 9. Adjournments. The majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given, before the time the adjourned meeting is restarted, to the Directors who were not present at the time of the adjournment.

Section 10. Action without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if a majority of the Directors then in office consent in writing to the action; provided, however, that the action of any Director who has a material financial interest in a transaction to which the Corporation is a party shall not be required or permitted for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. As used herein, "written" or "writing" shall include electronic forms of communication, so long as a printed copy of the electronic writing is made and included in the record of the meeting or action taken by consent.

Section 11. Committees of the Board. The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, and may elect or appoint such members as the Board deems appropriate as further set forth in Article IV.

Section 12. Telephone or Electronic Participation. Directors may participate in a meeting through use of conference telephone or similar electronic communication equipment, including web-based technology, so long as all Directors participating in such meeting can hear one another. Participation in a meeting through the use of such telephone or similar electronic communications equipment constitutes presence in person at the meeting.

Section 13. Self-Dealing Transactions.

1. No contract or other transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any corporation, firm, or association in which one or more of its Directors or officers are Directors or officers or are financially interested, is void or voidable solely for this reason or solely because any such Director or officer is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction, or because the vote or votes of common or interested Directors are counted for such purpose, if the circumstances specified in any of the following paragraphs exist:

(a) The fact of the common directorship, office or financial interest is disclosed or known to the Board of Directors and noted in the minutes, and the Board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose and the common or interested Director or Directors, does not participate in the discussion or action on the item; or

(b) The fact of the common directorship or financial interest is not disclosed or known to the Director or officer at the time the transaction is brought before the Board of

Directors of the Corporation for action provided that the contract or transaction is fair as to the Corporation at the time it is authorized or approved, and the common or interested Director or Directors do not participate in the discussion or action on the item.

2. All Directors will be counted in determining the presence of a quorum at a meeting of the Board of Directors thereof which authorizes, approves, or ratifies a contract or transaction, the common or interested Director or Directors a majority of the disinterested Directors may authorize, approve, or ratify a contract or transaction.

Section 14. Confidentiality. All members of the Board of Directors of the Corporation shall be required to adhere to the Confidentiality statement issued by the Corporation or the Reno Housing Authority. All Directors will be required to read and sign the Confidentiality Agreement and complete the Conflict of Interest Agreement, if any, prior to the beginning of their term.

ARTICLE IV Subcommittees of the Board

Section 1. Creation. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint standing or special committees, as it considers necessary for the operation or administration of the Corporation. These committees, to the extent provided in said resolution shall have and exercise the authority delegated to them by the Board of Directors and any actions taken by such committees are subject to approval by the Board of Directors at the next meeting of the Board. Each standing committee shall consist of two or more Directors, and each special committee shall consist of at least one Director. Members of each committee shall be nominated by the Chairman of the Board and be subject to approval by the Board of Directors. The Chairman of each committee shall be a Director of the Corporation nominated by the Chairman of the Board and approved by the Board of Directors and shall report on the activities of that committee at the regular meeting of the Board of Directors.

Section 2. Quorum. A quorum at a committee meeting exercising Board functions shall be a majority of all committee members in office immediately before the meeting begins. If a quorum is present, action may be taken by an affirmative vote of a majority of the committee members present.

ARTICLE V Officers and Executive Director

Section 1. Officers. The officers of the corporation shall be a President (who shall, by virtue of the office, be the Chairman of the Board of Directors), a Vice-President, a Secretary, and a Treasurer. The Corporation may also have at the discretion of the Board, such other officers as may be determined by the Board of Directors. The President/Chairman of the Board shall be the Executive Director of the Reno Housing Authority and the Treasurer shall be the Director of Finance of the Reno Housing Authority unless otherwise agreed upon by a majority of the Board. All other officers of the Corporation shall be chosen by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment to

which the officer is a party. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board.

Section 2. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board.

Section 3. President. The President shall be the Chair of the Board, and shall preside at all meetings of the Board. Unless the Board shall otherwise provide, the President shall sign and execute all authorized bonds, contracts, and other obligations in the name of the Corporation. The position of President will be held by the Executive Director of the Reno Housing Authority including any individual in an acting or interim Executive Director role of the Reno Housing Authority. The President will serve in their position with no term limit. Unless otherwise provided in these bylaws, the President shall have general management and control of, and shall supervise and direct, the activities of the Corporation. The President shall at all times be subject to the instructions of the Board. The President shall perform all other duties required by law or by these Bylaws and such duties as the Board may from time to time require.

Section 4. Vice-President. In case of the absence or disability of the President, the Vice-President in charge of administration shall perform the duties of the office of the President. Vice-Presidents shall also perform such other duties and have such authority as may be prescribed from time to time by the Board or the President.

Section 5. Secretary. The Secretary shall keep the minutes of the meetings of the Board, unless some other person is designated by the recording secretary of the meeting. The Secretary shall give, or arrange to give, all notices of the Corporation. The Secretary shall have charge of all records, books, and papers pertaining to the office, the corporate seal of the Corporation, and such books and papers of the Corporation as the Board may direct; The Secretary shall perform all other duties required by law or these bylaws and such as the Board or the President may from time to time require.

Section 6. Treasurer. The Treasurer shall have overall responsibility for all fiscal record keeping and all corporate funds. The Treasurer shall, with the President, sign all certificates, contracts or other documents in any way affecting real property or any right of interest therein. The position of Treasurer will be held by the Director of Finance of the Reno Housing Authority including any individual in an acting or interim Director of Finance role of the Reno Housing Authority. The Treasurer will serve in their position with no term limit. The Treasurer shall perform all the duties as from time to time may be assigned by the President or by the Board of Directors. The Treasurer, or such persons supervised by the Treasurer shall receive, receipt for, and safely keep all its funds, and shall dispose of them only in the manner authorized by the Board; shall at all times keep a full and complete and accurate record of the funds of the Corporation and shall deposit the same to the credit of the Corporation in such bank, banks, or depositories as the Board may designate.

ARTICLE VII

Records; Inspection; Annual Report

Section 1. Maintenance of Records. The Corporation shall keep at its principal office, or if its principal office is not in Nevada, at its principal office in Nevada, the original or a copy of the Articles of Incorporation and of the Bylaws, as amended to date. The Corporation shall take appropriate steps to protect the confidentiality of donors.

Section 2. Inspection. Every Director shall have the right at any reasonable time to inspect the Corporation's books, records, and documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make abstracts of documents, provided that the confidentiality of the corporate records and documents is protected.

Section 3. Annual Report. The Board shall cause an annual report to be sent to all Directors within one hundred twenty (120) days after the close of the Corporation's fiscal year. The Corporation's fiscal year shall be the calendar year.

ARTICLE VIII Execution of Instruments

Checks, drafts, and orders upon the funds or credits of the Corporation, bills, notes, and other obligations for the payment of money by the Corporation, and contracts and instruments in writing by the Corporation, shall be valid and binding upon the Corporation only when executed by such officer or officers as may be authorized by the Board or by these Bylaws.

ARTICLE IX Indemnification

Section 1. Right of Indemnity. To the fullest extent permitted by law, the Corporation shall indemnify its present and former officers, Directors, employees, and agents against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any threatened, pending, or completed action or proceedings, whether civil, criminal, administrative, or investigative, including an action by or in the right of the Corporation, by reason of the fact that the person is or was an officer, Director, employee, or agent of the Corporation. "Expenses" as used herein includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification.

Section 2. Approval of Indemnity. On written request to the Board of any person seeking indemnification under Section 1 of this Article IX, the Board shall promptly determine whether indemnification is permitted and, if so, shall authorize such indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 or 2 above in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of the undertaking by or on behalf of that person that the advance will

be repaid unless it is ultimately determined that the person is not entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. The Corporation may purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, Directors, employees, and agents against any liability asserted against or incurred by any of such persons in such capacity or arising out of the person's status as such wherever the Corporation has the power to indemnify the person against such liability under the provisions of Section 1 above.

ARTICLE X Amendments

These Bylaws may be altered, amended or repealed by a vote of two thirds (2/3rds) of the entire Board of Directors at any regular or special meeting called therefore with notice specifying purpose and providing written copies of the proposed amendments. Written notice of such proposed action must be given to the Directors at least seven (7) days prior to the date of such meeting. Directors not present at the meeting considering a proposed revision or amendment may express their approval in writing. No revision or amendment shall be adopted that would be inconsistent with the tax-exempt, non-profit status of the Corporation.

ARTICLE XI Gift Acceptance

Section 1. Acceptance. The Board of Directors may accept on behalf of the Corporation any gift, grant, bequest or devise for the general purposes of the Corporation. The Board of Directors may authorize any officer, agent or employee to accept on behalf of the Corporation any gift, grant bequest or devise and such authority may be general or confined to specific funds, accounts or purposes. The Board of Directors has the right to reject or refuse to accept any gift, grant, bequest or devise whenever it is deemed to be in the best interest of the Corporation to reject or refuse to accept such gift, grant, devise.

Section 2. Irrevocable. Unless the terms expressly provide otherwise, all gifts, grants, bequests and devises shall be deemed irrevocable.

Section 3. Restrictions. Any person and/or organization who shall give, bequeath or devise any property to the Corporation may make such gift subject to such conditions and limitations as to the use of the principal or income as he/she/they may see fit, and may specify such uses for the principal or the income as he/she may desire, provided such conditions, limitations, specifications and provisions are consistent with the general purposes of the Corporation and provided, further, that the Board of Directors has the right to reject or refuse to accept any such gift, grant, devise or bequest in the event it would not be in the best interest of the Corporation to accept such gift, grant, devise or bequest.

Section 4. Property. All such property received and accepted by the Corporation shall become a part of the Corporation property and, subject to any limitations, conditions or requirements, may be commingled with the other assets of the Corporation. However, such

property shall or may be placed in any number of separate accounts whenever the conditions, limitations or instruction of the gift, grant, bequest or devise required a separate fund or account, or whenever the Board of Directors, in its judgment, determines that such property should be placed in a separate and distinct fund or account.

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CERTIFICATE OF PRESIDENT

I certify that I am the duly elected and acting President/Chairman of the Board of Pathways to Prosperity, a Nevada nonprofit corporation, that the above bylaws, consisting of nine (9) pages, including this page, are the bylaws of said Corporation as adopted by the Board of Directors of the Corporation at its regular meeting held on _____, 2024.

EXECUTED on _____, 2023

President/Chairman of the Board

ATTEST:

Secretary of the Board

4879-0502-4153, v. 1

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 14****February 27, 2024**

SUBJECT: Presentation and update on the below listed development projects:

- Hawk View Apartments
- Silverada Manor
- Stead Manor
- McGraw Court/Silver Sage Court Design and scope of work update (Discussion)

FROM: Executive Director

RECOMMENDATION: For Discussion

Hawk View Redevelopment Design

Background:

On December 8, 2023, Brinshore Development provided a Hawk View design update to the Board of Commissioners. The presentation included information on proposed building types, site layout, precedent images, preliminary exterior renderings of the buildings, and estimated costs at the meeting. Since that time, the site plan has been further refined, community building and unit floorplans have been developed, and the design team completed a pre-application meeting with the City of Reno Development Services staff to determine design feasibility and code requirements.

The current site plan provides a mix of housing options including walk-up and corridor buildings along with a small section of townhomes. As mentioned in the previous presentation, this provides for architectural variation across the site while complementing the adjacent properties. Further refinement of the site plan has led to an increase in units to up to 200; thereby adding 100 new affordable housing units to the community. It is important to note that the unit count may be reduced to 199 to allow for an expedited and less burdensome plan review process. The site plan currently consists of:

- 84 one-bedroom units
- 99 two-bedroom units
- 17 three-bedroom units
- 5,200 sq. feet community building
- 210 parking spaces

Additionally, Brinshore and the development team have determined that framing with light gauge steel, rather than traditional wood framing, is a feasible construction option that will lead to considerable savings in both builder's risk insurance and ongoing operating insurance (see table below).

Light Gauge Steel Vs. Wood Frame				
Hawk View Redevelopment				
	Light Gauge Steel	Wood Frame	LGS Benefit	Notes
Hard Costs	\$ 51,658,330	\$ 51,289,463	\$ (368,868)	Higher cost to LGS
Perm Debt (due to operating Insurance difference)	\$ 21,730,000	\$ 19,160,000	\$ 2,570,000	Operating Insurance is \$1,700/year/unit for Wood Frame and \$553/unit/year for LGS
Construction Period Insurance	\$ 284,765	\$ 841,375	\$ 556,610	Significant saving due to non-combustible construction materials
Construction Period Interest	\$ 4,877,582	\$ 5,306,034	\$ 428,451	26 months for Wood Frame, 24 months for LGS
			\$ 3,186,194	

Brinshore Development will provide a presentation and further information on proposed building types, site layout, unit floorplans, exterior renderings of the buildings, estimated costs, and estimated construction timeline at the February 27, 2024, Board meeting.

Silverada Manor Rehab Design

Background:

As part of the RAD Conversion of Silverada Manor, the property is undergoing substantial rehabilitation. The goal of this project is to significantly update units with brand new interiors, energy efficient appliances, more open floorplans, improve accessibility both in units and in common spaces, and significantly update the community building. A more detailed scope of work can be found below. Additionally, Brinshore Development will provide a presentation and further information on site plan, unit floorplans, community building floorplans, estimated costs and estimated construction timeline at the February 27, 2024, Board meeting.

Planned interior improvements include:

- Removal and replacement of flooring, walls, doors, kitchen & bathroom fixtures and appliances.
- Update of all major mechanical, electrical, and plumbing components. Replacement of sewer lines.
- Update 8 units (~5% of total units) to meet Uniform Federal Accessibility Standards (UFAS) for individuals with mobility disabilities.
- Update 3 units (~2% of total units) to meet UFAS for individuals with hearing or visual disabilities.
- Update all units to be adaptable for potential reasonable modification requests.
- Asbestos and radon abatement.

Planned exterior improvements include:

- Removal and in-kind replacement of windows, hardboard siding, roofing, wood decking, and gutters & downspouts
- Restoring building eaves to the original overhang depth.
- Replacement of sewer lines.
- Updating exterior doors to meet ADA clearance requirements.

- Installing new landscaping in all areas affected by construction.
- Installing a new monument identification sign at the property.

Additional improvements include:

- Significant update to community building offices, meeting room, and kitchen.
- Addition of computer lab, exercise room, and food pantry room to community building.
- Adding an additional exit to the community dining area.
- Removing and rebuilding non-original Training Building (Built 1979) which was constructed over the original pool structure. Building removal is recommended to fix foundation issues and correctly infill the soil below. New building will mimic aesthetics of surrounding structures and serve as a laundry facility.

Potential improvements still undergoing feasibility analysis include:

- Installation of solar power system to provide power to property.
- Because HUD is requiring us to operate the property for General Occupancy, we are looking at adding a playground on site for future tenants.

As indicated in the Executive Director's report, HUD's Office of Fair Housing and Equal Opportunity (FHEO) did not approve of RHA's request for an elderly preference and 2-bedroom unit reduction at Silverada Manor. Given time is of the essence to obligate funding and start construction and staff has been unable to provide data that meets FHEO's requirements for approval, the development team has updated project plans to maintain the two-bedroom units and operate the property as general occupancy in the future. Residents currently residing at Silverada Manor have the right to return under RAD. However, as units turnover, new tenants will be selected from a general occupancy waitlist, i.e. no preference for elderly tenants. Staff will meet with residents to update them on this change in the near future.

Stead Manor Rehab Design

Background:

RHA was awarded \$18 million in State of Nevada Home Means Nevada Initiative (HMNI) for the substantial rehabilitation of Stead Manor. The project architect, JKAE, and CMAR, Plenum, have been making good progress on finalizing the design and defining the scope of work. Overall, the project will significantly update the units, improve both outdoor amenities and the community building, and address accessibility issue on site.

Below is a more detailed current scope of work. Please note the scope of work will continue to be refined as the project goes through plan review and based on budget considerations. However, the project design is nearing 50% completion and staff wanted to provide this update and provide an opportunity for the board to offer feedback or ask questions.

SITE IMPROVEMENTS

- Remove and replace existing patio Trex enclosure with new 4- foot Iron fence.

- Remove and replace existing playground equipment.
- Remove and replace existing gazebo, benches, and BBQ area.
- Install new landscaping in all areas affected by construction.
- Install new monument identification sign at property.
- Meet ADA standards for parking requirements.
- Replace existing 4" transite sewer main, service laterals, and clean outs with SDR35.
- Remove and replace existing pavement and concrete in the parking areas.

STRUCTURES EXTERIOR

- Remove and replace existing stair railing to meet current code.
- Remove and replace existing windows.
- All units shall be insulated to meet current code for insulation.
- Remove and replace the existing asphalt shingle roofs and underlayment. Replace any deteriorated plywood sheathing including blocking as required.
- Remove and replace any damaged siding.

STRUCTURES INTERIOR

- Remove and replace existing interior baseboard, door casing and doors.
- Remove and replace existing drywall including all walls and ceilings.
- Paint with one coat of primer and two coats of paint.

KITCHENS

- Remove and replace existing kitchen cabinets and include new solid surface countertops.
- Remove and replace all water supply lines, shut-offs, faucets, and valves.

BATHS

- Install new energy star ceiling mount bathroom exhaust fans.
- Remove and replace existing tub and surround, toilets lavatory sinks, fixtures, waste and traps, braided steel water supply lines.
- Remove and replace complete interior sewer system including piping, venting, connections, hardware, and every waste line and drain receptacle required.

LIVING AREAS/BEDROOMS/CLOSETS

- Remove and replace flooring with vinyl plank flooring. All vinyl flooring and subfloor that contains asbestos shall be removed and discarded.
- All designated handicap units shall be upgraded to comply with full ADA standard requirements.
- Install new audio/visual smoke detectors with battery backup.
- Install new GFI's and energy efficient lighting including exterior wall mounted lighting at both entries if not currently energy efficient.

MECHANICAL SYSTEMS

- Install new energy star tankless water heaters.
- Remove and replace existing gas supply lines.
- Replace existing gas furnaces with energy efficient/ energy star equipment with condensing units and new programmable thermostats.
- Remove and replace all flexible duct pipe and plenum boxes.

COMMUNITY BUILDING

- Fully rehab the interior of the Community Building.
- Upgrade restroom to meet ADA guidelines.

McGraw Court/Silver Sage Court Rehab Design**Background:**

RHA was awarded \$3.5 million in HMNI funds and additional \$1 million in Washoe County HOME Consortium HOME funds for the substantial rehabilitation of McGraw Court/Silver Sage Court. RHA has also submitted a request for an additional \$2 Million in HMNI funds for the project and has received verbal confirmation that those funds will be awarded. The project architect, JKAE, and CMAR, Plenium, have been making good progress on finalizing the design and defining the scope of work.

Overall, the project will significantly update the units, improve both outdoor amenities and the community building, and address accessibility issue both in unit and on site. Below is a more detailed current scope of work. Please note the scope of work will continue to be refined as the project goes through plan review and based on budget considerations. However, the project design is nearing 50% completion and staff wanted to provide this update and provide an opportunity for the board to offer feedback or ask questions.

SITE-WORK

- Remove and replace sections of broken and deteriorated concrete curb.
- Remove and replace existing water isolation valves and waterlines to each building.
- Remove and replace existing asphalt
- Replace existing irrigation system.
- Update existing landscape to replace dead trees and shrubs.
- Add decomposed granite and rock mulch to the landscaping.
- Add gazebo, benches, and BBQ pit area to the site.

STRUCTURES EXTERIOR

- Remove and replace the existing asphalt shingle roofs and underlayment.
- Replace any deteriorated plywood sheeting including blocking as required.
- Remove and replace existing windows.
- Paint and repair exterior siding.
- Paint fascia, drip edge, eaves, and exterior doors.

KITCHENS

- Remove and replace all existing light fixtures, electrical switches and plates, electrical outlet plugs and plates, plates, cable/tv cover plates only.
- Remove and replace existing interior baseboard, door casing and doors.
- Remove and replace kitchen sink, fixtures, waste and traps, braided steel water supply lines.
- Remove and replace countertops with solid surface countertops.
- Remove and replace cabinets.
- Remove vinyl flooring and underlayment and replace with vinyl plank flooring.
- Clean, patch and paint walls and ceiling 1-coat primer and 2-coats of paint.

BATHS

- Remove and replace all existing light fixtures, electrical switches and plates, electrical outlet plugs and plates, plates, cable/tv cover plates only.
- Remove and replace existing interior baseboard, door casing and doors.
- Remove and replace existing tub and surround, toilets lavatory sinks, fixtures, waste and traps, braided steel water supply lines.
- Remove and replace countertops with solid surface countertops.
- Remove and replace cabinets.
- Remove vinyl flooring and underlayment and replace with vinyl plank flooring.
- Clean, patch and paint walls and ceiling 1-coat primer and 2-coats of paint.

LIVING AREAS/BEDROOMS/CLOSETS

- Remove and replace all existing Light fixtures, electrical switches and plates, electrical outlet plugs and plates, plates, cable/tv cover plates only.
- Remove and replace existing interior baseboard, door casing, and doors.
- Remove flooring and underlayment and replace with vinyl plank flooring.
- Clean, patch and paint walls and ceiling 1-coat primer and 2-coats of paint.

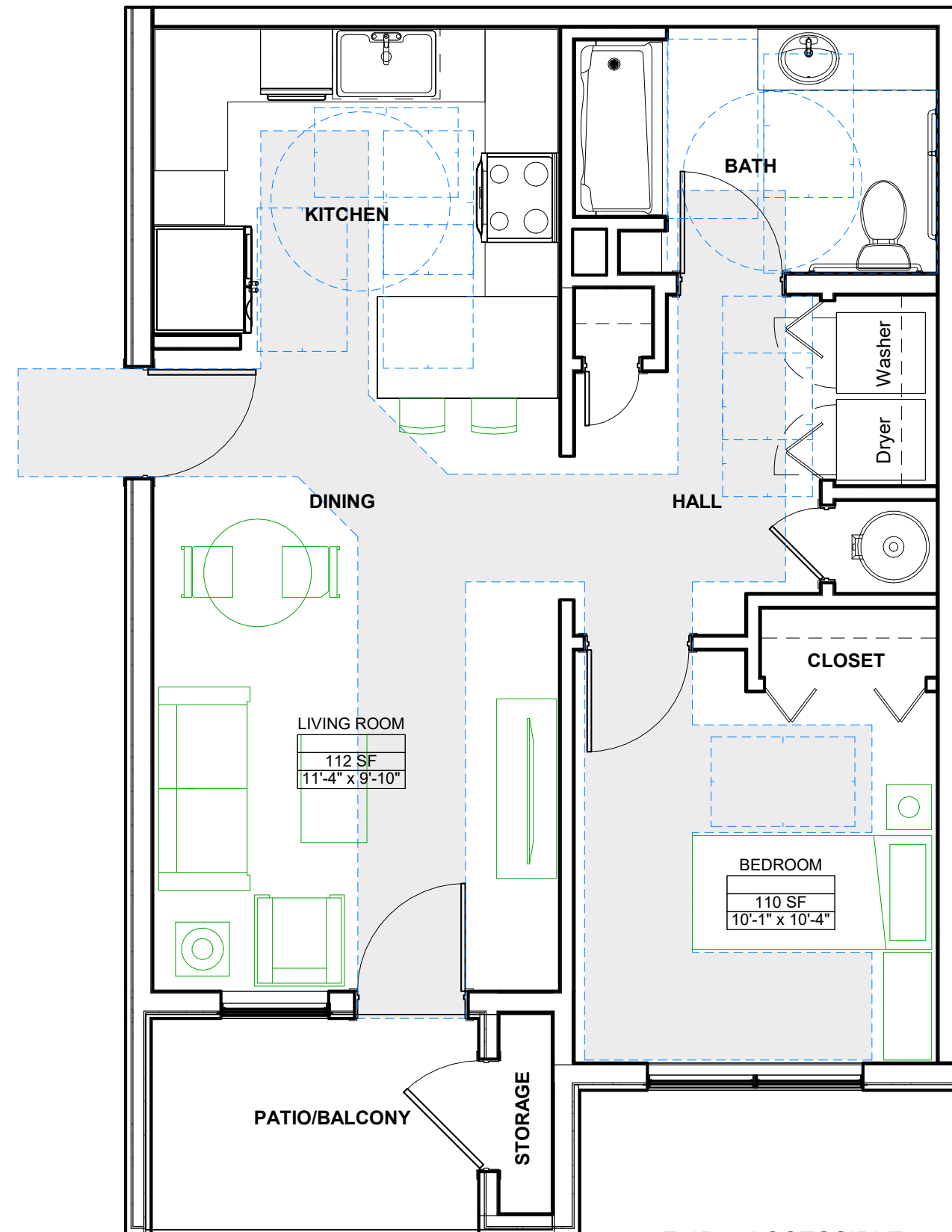
SILVER SAGE APARTMENTS ONLY

- Remove and replace sixteen (16) existing tank water heaters.
- Remove and replace sixteen (16) existing Furnaces, condensers, and line-sets, Including condenser pads.
- Remove the existing 3/4" gas mains from the meter to each unit and replace with code compliant sizing as required.

COMMUNITY ROOM

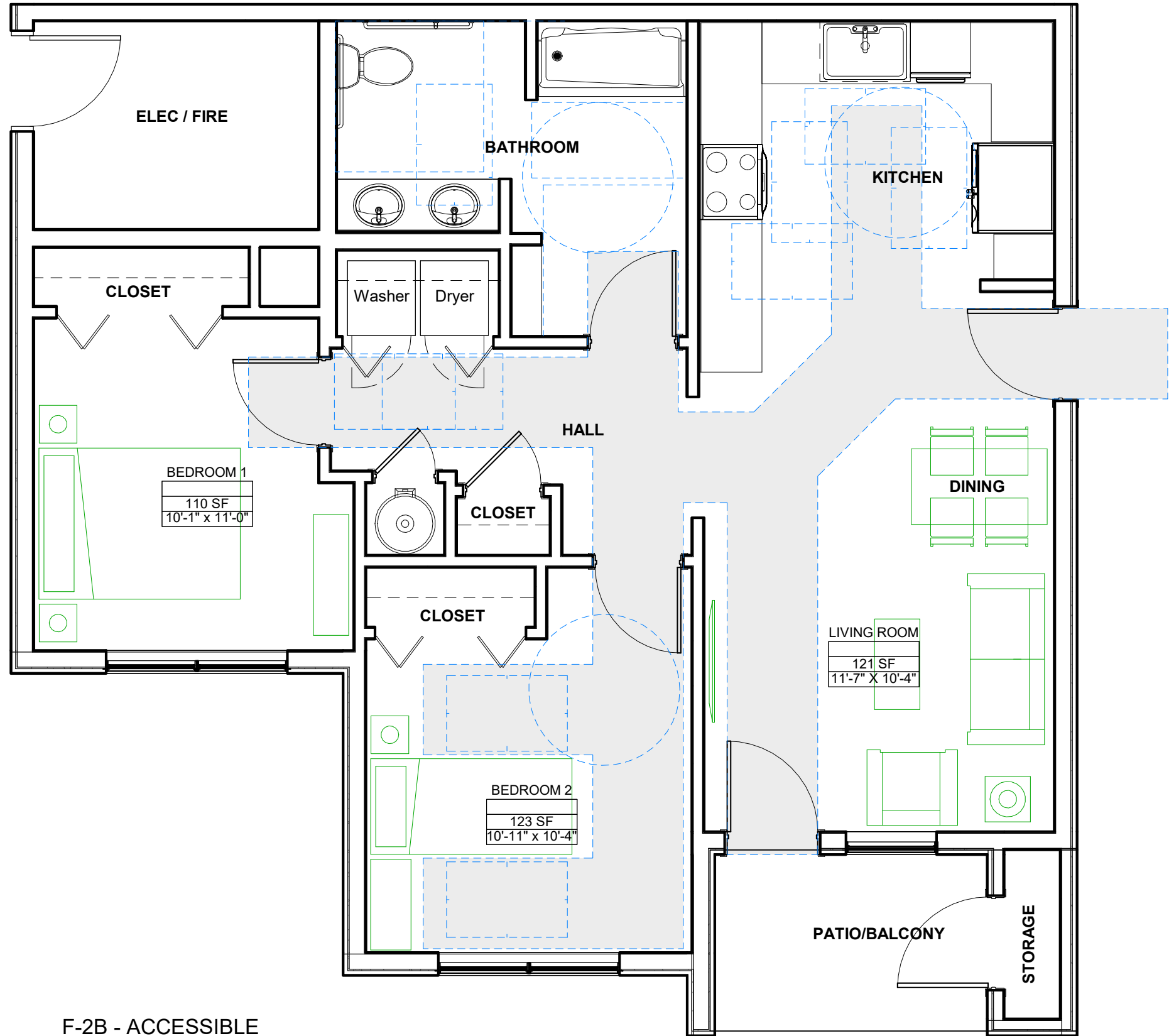
- Remove and replace cabinets.
- Remove vinyl flooring and underlayment and replace with vinyl plank flooring.
- Update restroom to meet ADA guidelines.
- Remove and replace sixteen (16) existing tank water heaters.
- Remove and replace sixteen (16) existing Furnaces, condensers, and line-sets, Including condenser pads.
- Remove the existing 3/4" gas mains from the meter to each unit and replace with code compliant sizing as required.
- Paint and repair exterior siding.

DATE: _____



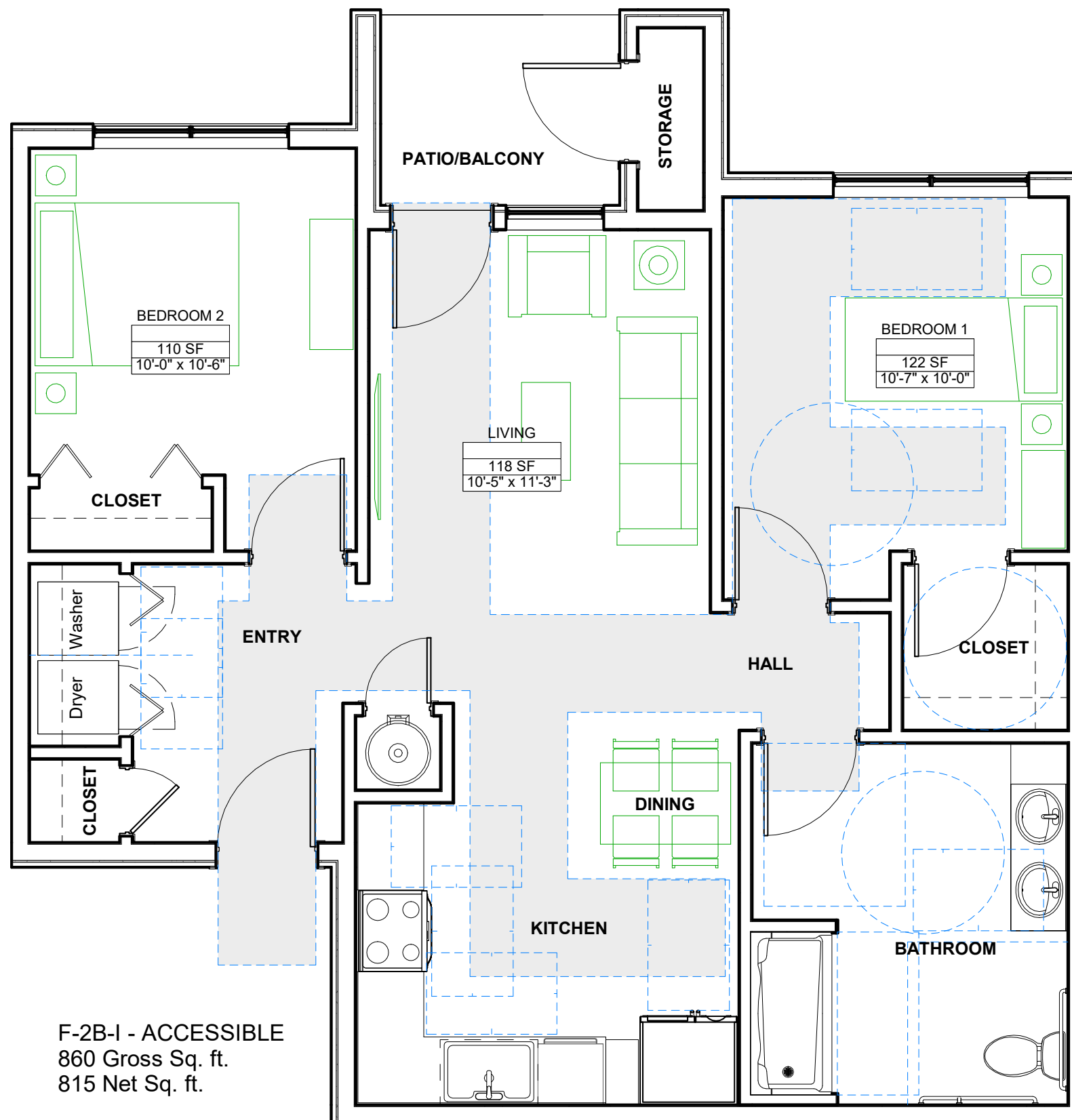
F-1B - ACCESSIBLE
664 Gross Sq. ft
607 Net Sq. ft.

DATE: _____



F-2B - ACCESSIBLE
877 Gross Sq. ft.
809 Net Sq. ft.

DATE:



F-2B-I - ACCESSIBLE
860 Gross Sq. ft.
815 Net Sq. ft.



BLDG #1
 3-STORY WALK-UP (62 DU)
 • 1-BED, 32 DU
 • 2-BED, 18 DU
 • 3-BED, 12 DU

BLDG #2
 3-STORY WALK-UP (24 DU)
 • 1-BED, 6 DU
 • 2-BED, 18 DU
 • 3-BED, 0 DU

BLDG #3
 3-STORY WALK-UP (42 DU)
 • 1-BED, 15 DU
 • 2-BED, 20 DU
 • 3-BED, 7 DU

BLDG #4
 3-STORY WALK-UP (30 DU)
 • 1-BED, 12 DU
 • 2-BED, 18 DU
 • 3-BED, 0 DU

BLDG #5
 3-STORY WALK-UP (30 DU)
 • 1-BED, 12 DU
 • 2-BED, 18 DU
 • 3-BED, 0 DU

BLDG #6
 TOWNHOMES (5 DU)
 • 2-BED, 3 DU
 • 3-BED, 2 DU

BLDG #7
 TOWNHOMES (6 DU)
 • 2-BED, 4 DU
 • 3-BED, 2 DU

LEASING +
 AMENITY BUILDING

211 SURFACE PARKING

TRIPP DR.

STEELWOOD LN

BRINSHORE Brinshore Development, LLC
 1603 Orrington Avenue
 Evanston, IL 60201

RHA Reno Housing Authority
 1525 East Main Street
 Reno, Nevada 89517

FRAME PROJECT No. : 23-63

REVISION No.	DATE	DESCRIPTION	Checked By	Checker

ARCHITECTURAL SITE PLAN SCALE: 1" = 40'-0" 1

FRAMEARCHITECTURE.COM

4990 SOUTH McCARRAN BOULEVARD, UNIT E RENO NEVADA 89502 | (775) 827-9977

CONSULTANT BRANDING

CONSULTANT STAMP

Frame
 ARCHITECTURE, INC

FOR CONSULTANT
 COORDINATION

NOT FOR CONSTRUCTION

ARCHITECTURAL STAMP

HAWK VIEW APARTMENTS
 TRIPP DRIVE RENO, NEVADA
 HAWK VIEW, LLC

JURISDICTIONAL STAMP

ARCHITECTURAL SITE PLAN

AS1.1



Reno Housing Authority
1525 East Ninth Street
Reno, Nevada 89512

BRINSHORE

Brinshore Development, LLC
1603 Orrington Avenue
Evanston, IL 60201

Frame
ARCHITECTURE, INC.

Frame Architecture
4090 S. McCarran Blvd.
Ste. E. Reno NV, 89502



Architecture + Planning
888.456.5849
ktgy.com

Hawk View Apartments
RENO, NEVADA #2023-0823

CONCEPT DESIGN
DEC 22, 2023

PERSPECTIVE
BUILDING CLOSE UP VIEW

A 6-0



Reno Housing Authority
1525 East Ninth Street
Reno, Nevada 89512



Brinshore Development, LLC
1603 Orrington Avenue
Evanston, IL 60201



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4090 S. McCarran Blvd.
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ktgy.com

Hawk View Apartments
RENO, NEVADA #2023-0823

CONCEPT DESIGN
DEC 22, 2023

PERSPECTIVE
LEASING OFFICE

A 6-1



Reno Housing Authority
1525 East Ninth Street
Reno, Nevada 89512



Brinshore Development, LLC
1603 Orrington Avenue
Evanston, IL 60201



Frame Architecture
4090 S. McCarran Blvd.
Ste. E. Reno NV, 89502



Architecture + Planning
888.456.5849
ktgy.com

Hawk View Apartments
RENO, NEVADA #2023-0823

CONCEPT DESIGN
DEC 22, 2023

PERSPECTIVE
AMENITY SPACE

A 6-2



Reno Housing Authority
1525 East Ninth Street
Reno, Nevada 89512



Brinshore Development, LLC
1603 Orrington Avenue
Evanston, IL 60201



Frame Architecture
4090 S. McCarran Blvd.
Ste. E. Reno NV, 89502



Architecture + Planning
888.456.5849
kitgy.com

Hawk View Apartments
RENO, NEVADA #2023-0823

CONCEPT DESIGN
DEC 22, 2023

PERSPECTIVE
BUILDING CLOSE UP VIEW

A 6-3





Reno Housing Authority
1525 East Ninth Street
Reno, Nevada 89512



Brinshore Development, LLC
1603 Orrington Avenue
Evanston, IL 60201



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4090 S. McCarran Blvd.
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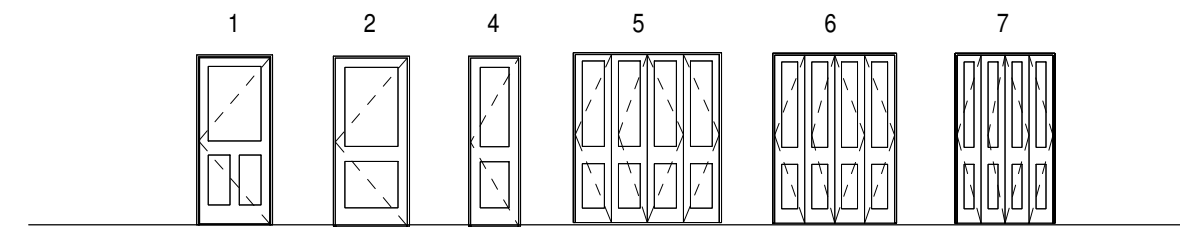
Hawk View Apartments
RENO, NEVADA #2023-0823

CONCEPT DESIGN
DEC 22, 2023

PERSPECTIVE
BUILDING CLOSE UP VIEW

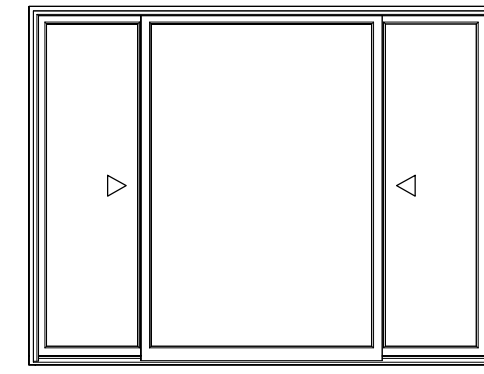
A 6-5

DOOR SCHEDULE - 1 BR											
DOOR No.	DOOR TYPE	DOOR MEASUREMENTS			DOOR MATERIAL	FRAME MATERIAL	HDWR GROUP	DETAILS			REMARKS
		WIDTH	HEIGHT	THICKNESS				HEAD	JAMB	SILL	
2	SINGLE	3'-0"	7'-0"	1 3/8"	WOOD	WOOD					
4	SINGLE	2'-0"	7'-0"	1 3/8"	WOOD	WOOD					
5	SINGLE	3'-0"	7'-0"	1 3/8"	WOOD	WOOD					
6	19	5'-0"	7'-0"	1 1/2"	WOOD	WOOD					
7	20	4'-0"	7'-0"	1 1/2"	WOOD	WOOD					

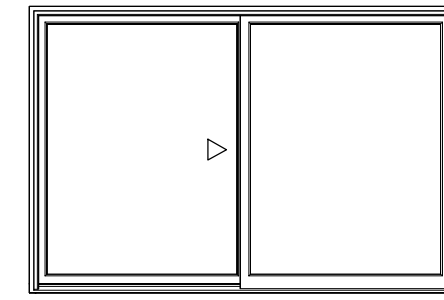


DOORS - 1 BR SCALE: 1/8" = 1'-0"

WINDOW SCHEDULE - 1 BEDROOM										
Type Mark	Height	Width	Sill Height	Heat Transfer Coefficient (U)	Solar Heat Gain Coefficient	Visual Light Transmittance	Model No.	Manufacturer	Operation	Comments
B	5'-0"	6'-6"	2'-0"							
C	4'-0"	6'-0"	3'-8"							
K			3'-11 1/4" (256")	0.6520 (BTU/h·ft²·F)	0	0				

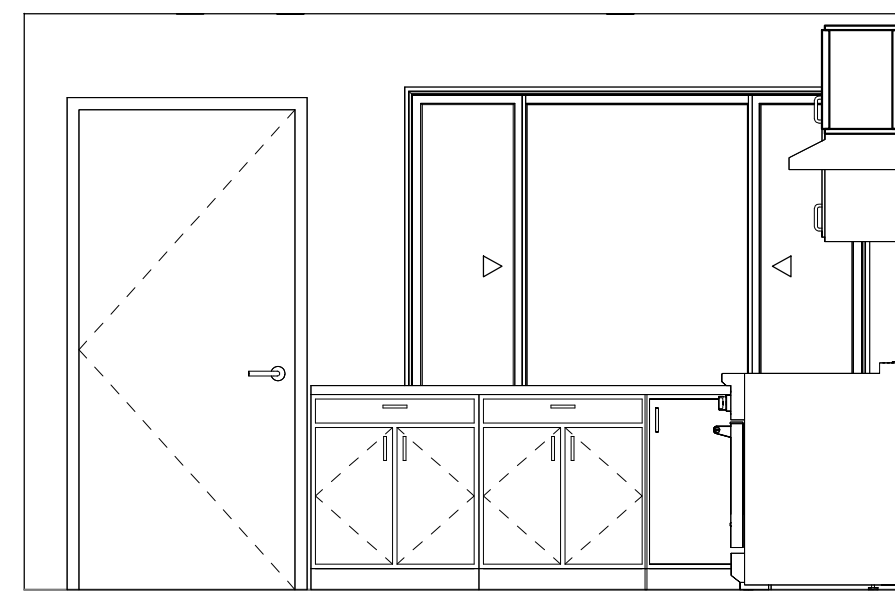


B



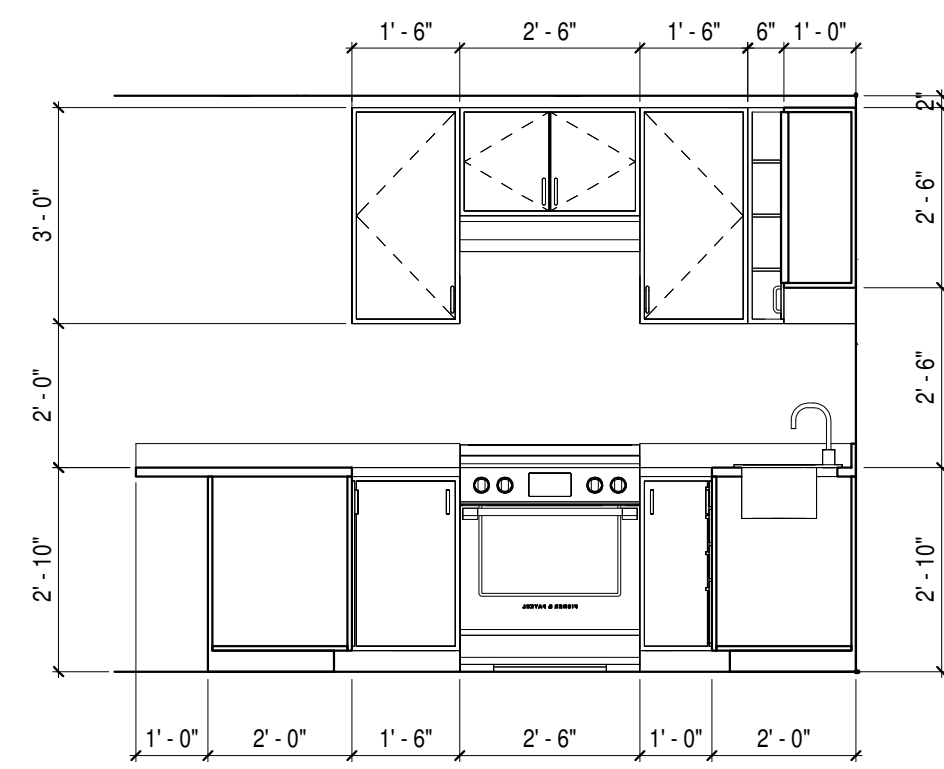
C

WINDOWS - 1 BEDROOM SCALE: 3/8" = 1'-0"



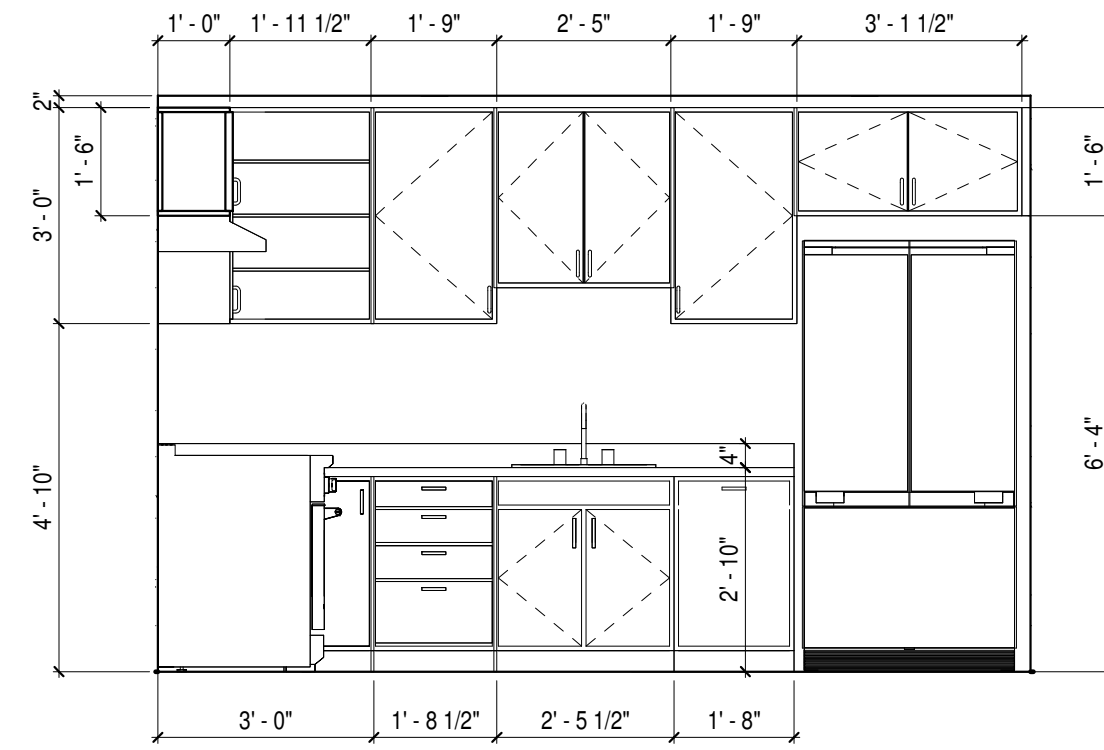
1BR KITCHEN PENINSULA SCALE: 3/8" = 1'-0" REF: 1/A7.1

4



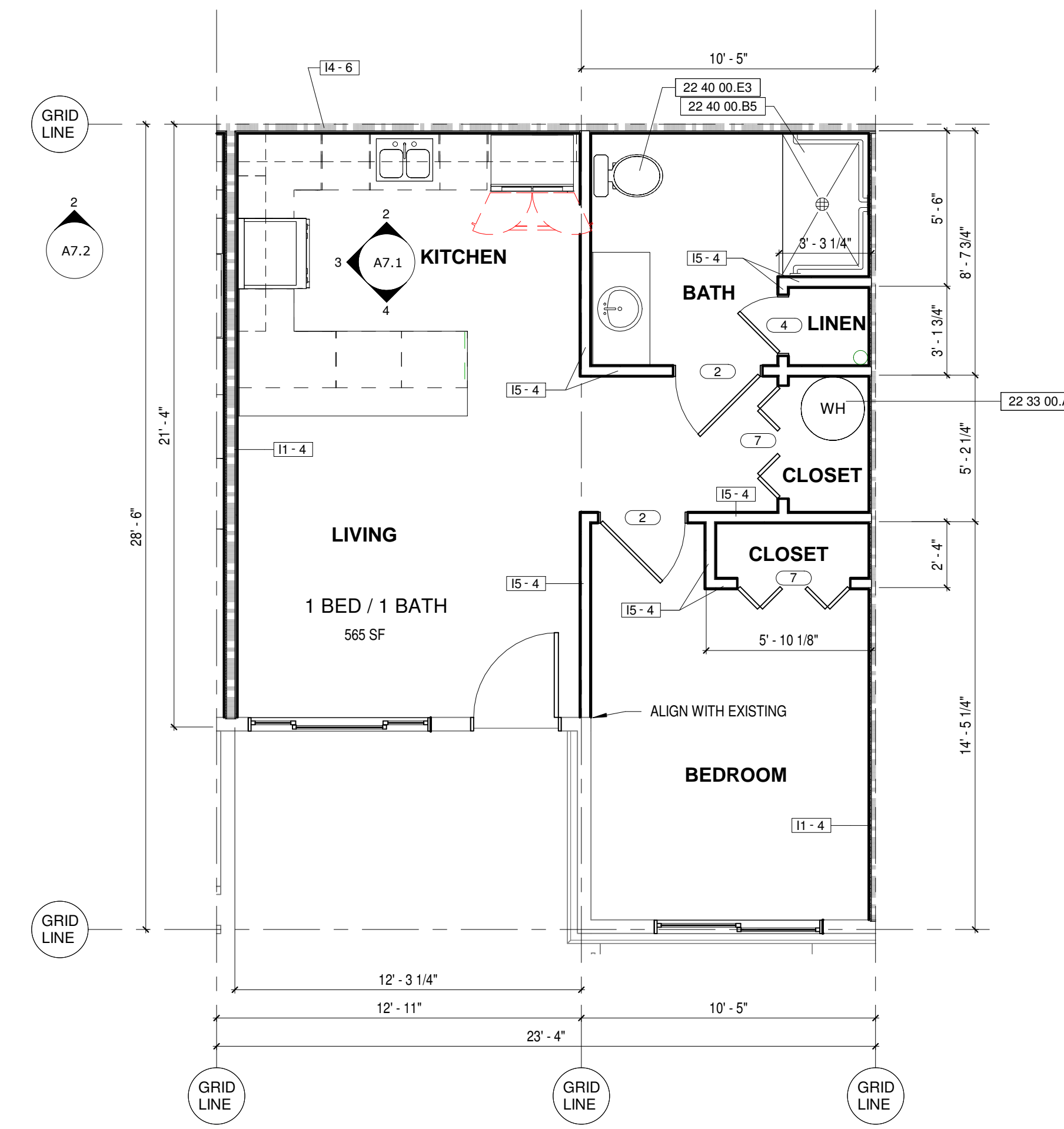
1BR KITCHEN FRONT SCALE: 3/8" = 1'-0" REF: 1/A7.1

3



1BR KITCHEN SIDE SCALE: 3/8" = 1'-0" REF: 1/A7.1

2



1-BEDROOM FLOOR PLAN SCALE: 1/4" = 1'-0" REF: 1/A1.2

1

GENERAL NOTES

1. VERIFY ALL DIMENSIONS PRIOR TO CONSTRUCTION.
2. GRID LINES ARE TO FACE OF FOUNDATION WALL, FACE OF STUD, OR CENTERLINE OF WALL / COLUMN, TYPICAL.
3. ALL DIMENSIONS ARE TO FACE OF STUD, CENTERLINE OF COLUMN OR EDGE OF SLAB, U.N.C.
4. PROVIDE STUD BRACING AND SUPPORT FOR ALL WALL MOUNTED FIXTURES AND ACCESSORIES. PER DETAIL #S#
5. PROVIDE BLOCKING BEHIND GRAB BARS TO SUPPORT 250 LBS.
6. PROVIDE BLOCKING AROUND WATER HEATER FOR HEATER SECURING STRAPS.
7. COORDINATE WITH MECHANICAL AND ELECTRICAL.

KEYNOTES

- 22 33 00 A1 Water Heater
- 22 40 00 B5 Roll-in Shower
- 22 40 00 E3 Toilet

CONSULTANT BRANDING

CONSULTANT STAMP

Frame
ARCHITECTURE, INC

NOT FOR CONSTRUCTION

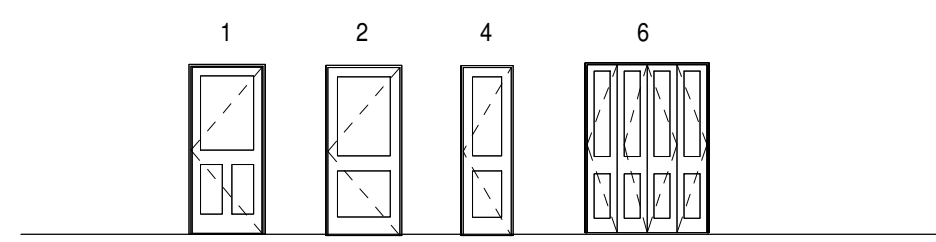
ARCHITECTURAL STAMP

Silverada Manor
1402 Silverada Blvd Reno, NV
Silverada LLC

JURISDICTIONAL STAMP

DOOR SCHEDULE - 2 BR

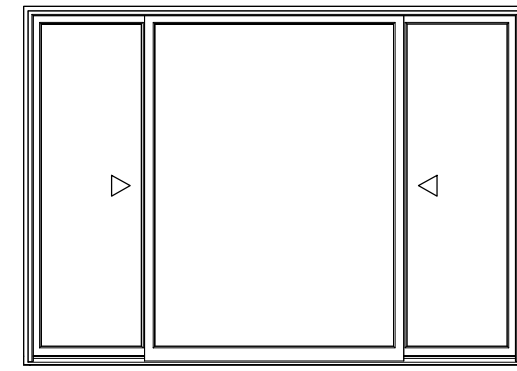
DOOR No.	DOOR TYPE	DOOR MEASUREMENTS			DOOR MATERIAL	FRAME MATERIAL	HDWR GROUP	DETAILS			FIRE RATING	REMARKS
		WIDTH	HEIGHT	THICKNESS				HEAD	JAMB	SILL		
2	SINGLE	3'-0"	7'-0"	1 3/8"	WOOD	WOOD						
4	SINGLE	2'-0"	7'-0"	1 3/8"	WOOD	WOOD						
6	19	5'-0"	7'-0"	1 1/2"	WOOD	WOOD						



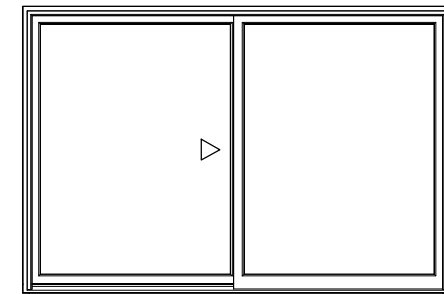
DOORS - 2 BR SCALE: 1/8" = 1'-0"

WINDOW SCHEDULE - 2 BEDROOM

Type Mark	Height	Width	Sill Height	Heat Transfer Coefficient (U)	Solar Heat Gain Coefficient	Visual Light Transmittance	Model No.	Manufacturer	Operation	Comments
A	5'-0"	7'-0"	2'-0"							
C	4'-0"	6'-0"	3'-8"							
K			3'-1 151/256"	0.6520	0	0				

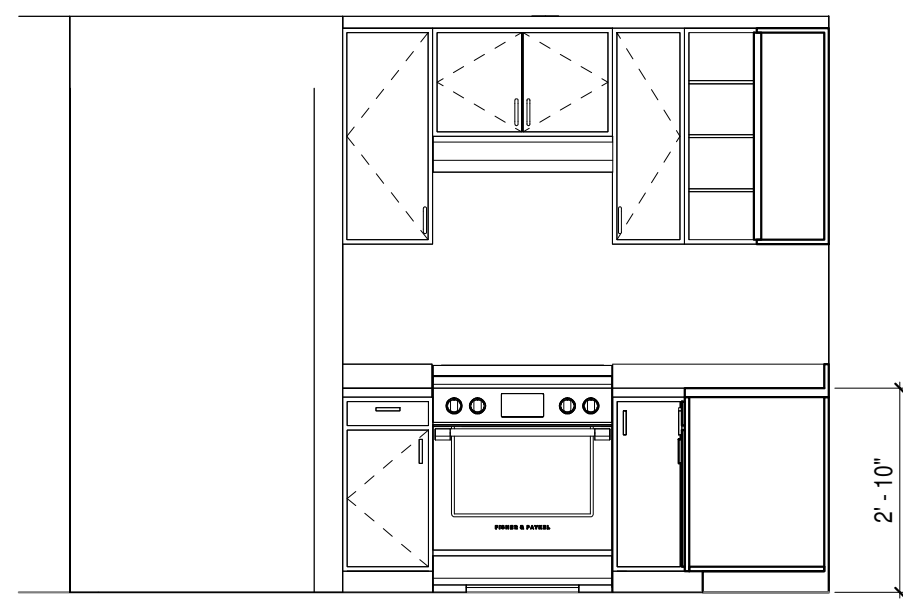


A



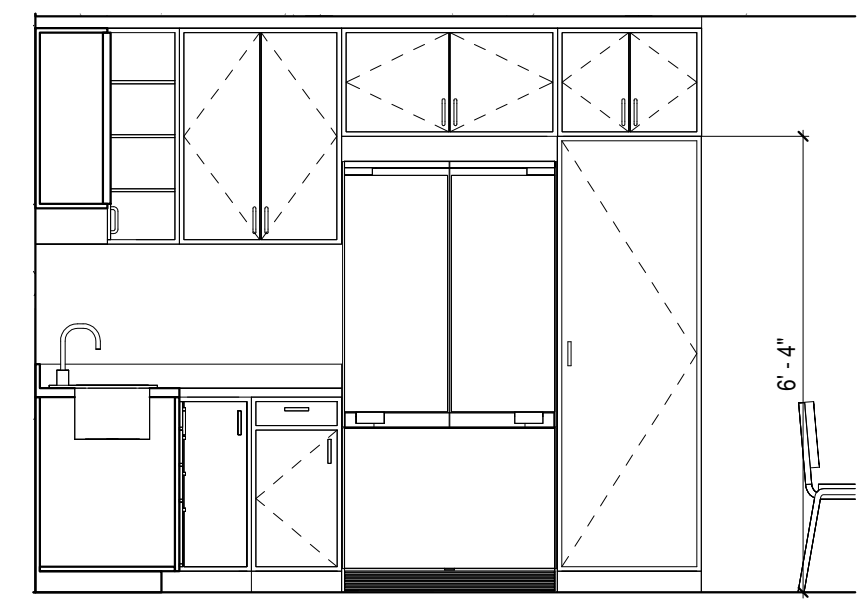
C

WINDOWS - 2 BEDROOM SCALE: 3/8" = 1'-0"



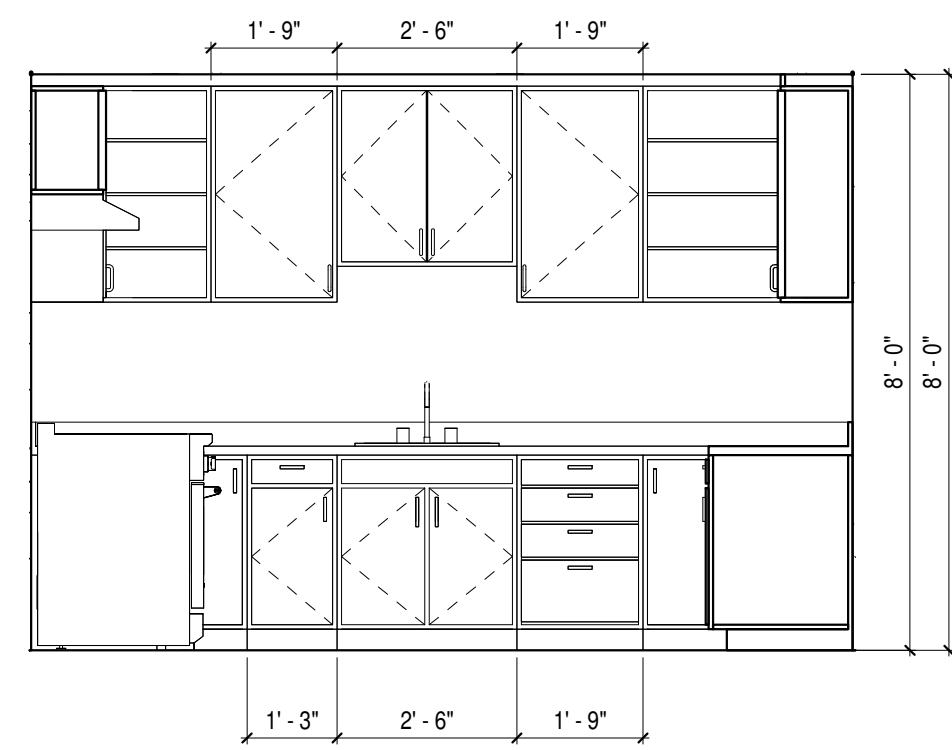
1 - d SCALE: 3/8" = 1'-0" REF: 1/A7.2

4



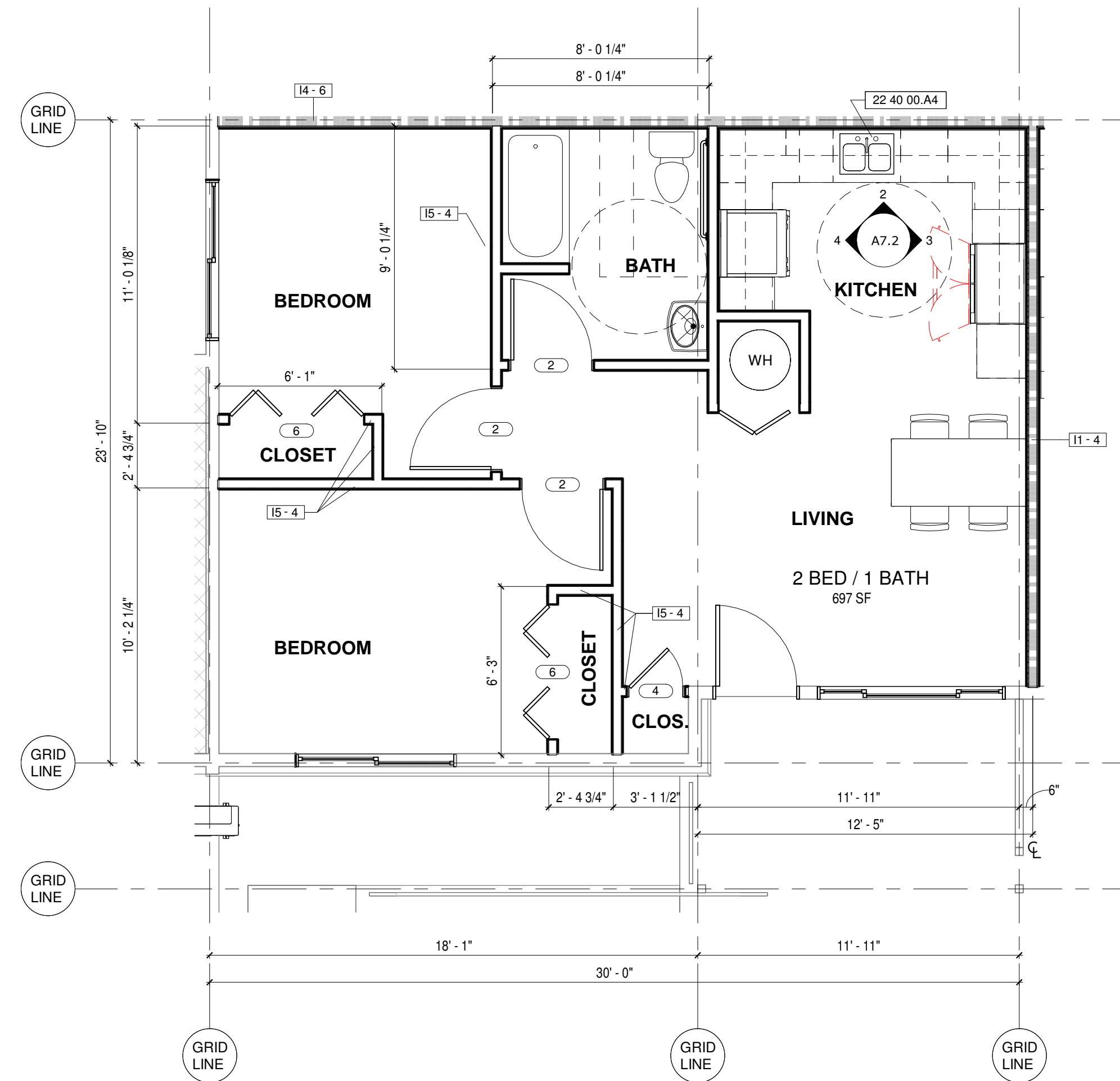
2BR KITCHEN FRONT SCALE: 3/8" = 1'-0" REF: 1/A7.2

3



2BR KITCHEN SIDE SCALE: 3/8" = 1'-0" REF: 1/A7.1

2



2-BEDROOM FLOOR PLAN SCALE: 1/4" = 1'-0" 1

GENERAL NOTES

1. VERIFY ALL DIMENSIONS PRIOR TO CONSTRUCTION.
2. GRID LINES ARE TO FACE OF FOUNDATION WALL, FACE OF STUD, OR CENTERLINE OF WALL / COLUMN, TYPICAL.
3. ALL DIMENSIONS ARE TO FACE OF STUD, CENTERLINE OF COLUMN OR EDGE OF SLAB, U.N.O.
4. PROVIDE STUD BRACING AND SUPPORT FOR ALL WALL MOUNTED FIXTURES AND ACCESSORIES. PER DETAIL #S#.
5. PROVIDE BLOCKING BEHIND GRAB BARS TO SUPPORT 250 LBS.
6. PROVIDE BLOCKING AROUND WATER HEATER FOR HEATER SECURING STRAPS.
7. COORDINATE WITH MECHANICAL AND ELECTRICAL.

KEYNOTES

22 40 00.A4 Self-Rimming Sink

CONSULTANT BRANDING

CONSULTANT STAMP

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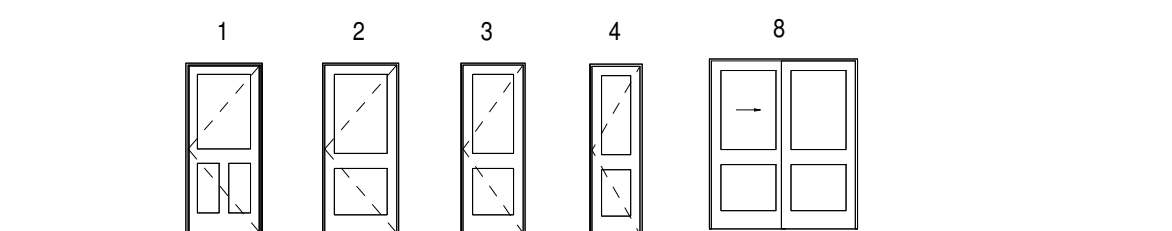
Frame
ARCHITECTURE, INC

Silverada Manor
1402 Silverada Blvd Reno, NV
Silverada LLC

JURISDICTIONAL STAMP

DOOR SCHEDULE - STUDIO

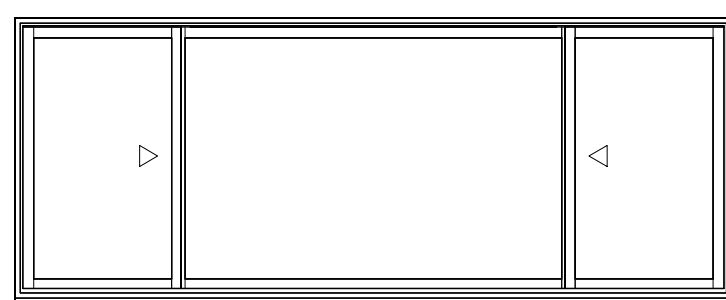
DOOR No.	DOOR TYPE	DOOR MEASUREMENTS			DOOR MATERIAL	FRAME MATERIAL	HDWR GROUP	DETAILS			FIRE RATING	REMARKS
		WIDTH	HEIGHT	THICKNESS				HEAD	JAMB	SILL		
2	SINGLE	3'-0"	7'-0"	1 3/8"	WOOD	WOOD						
3	SINGLE	2'-6"	7'-0"	1 3/8"	WOOD	WOOD						
4	SINGLE	2'-0"	7'-0"	1 3/8"	WOOD	WOOD						
8	BYPASS	6'-0"	7'-0"	1 3/8"	WOOD	WOOD						



DOORS - STUDIO SCALE: 1/8" = 1'-0"

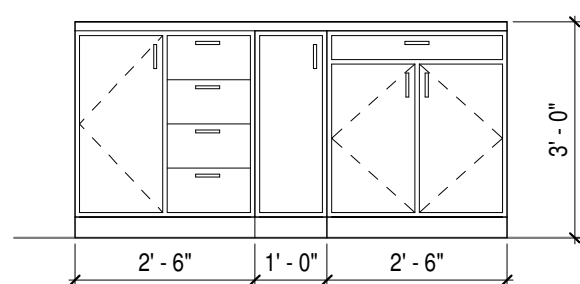
WINDOW SCHEDULE - STUDIO

Type Mark	Height	Width	Sill Height	Heat Transfer Coefficient (U)	Solar Heat Gain Coefficient	Visual Light Transmittance	Model No.	Manufacturer	Operation	Comments
D			3'-0"							
K			3'-1 1/2" (256")	0.6520						

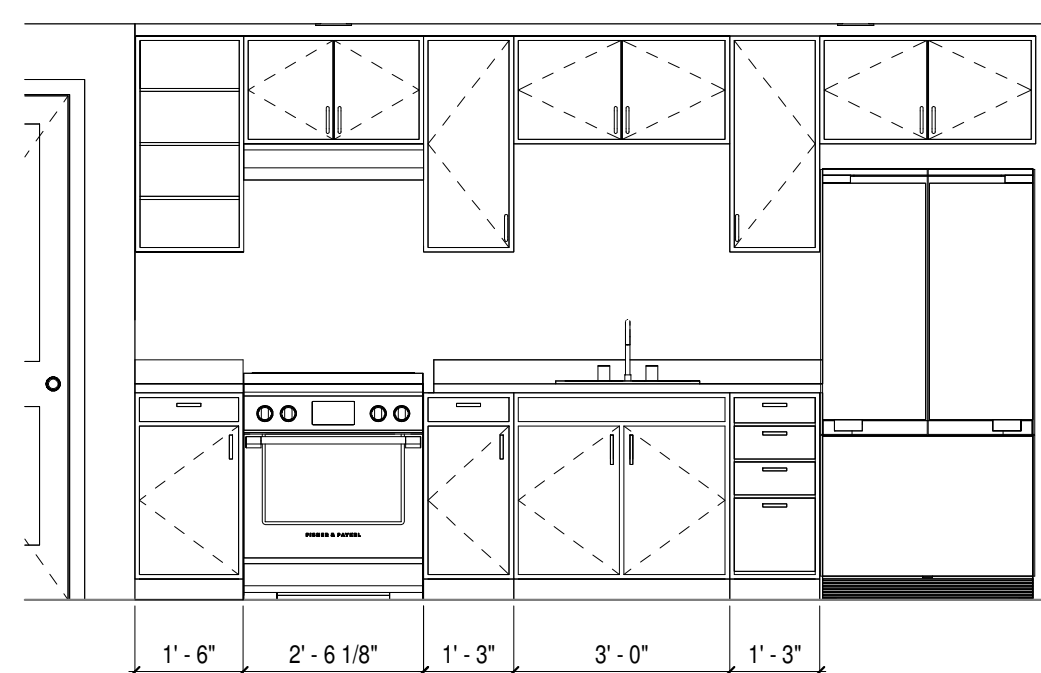


D

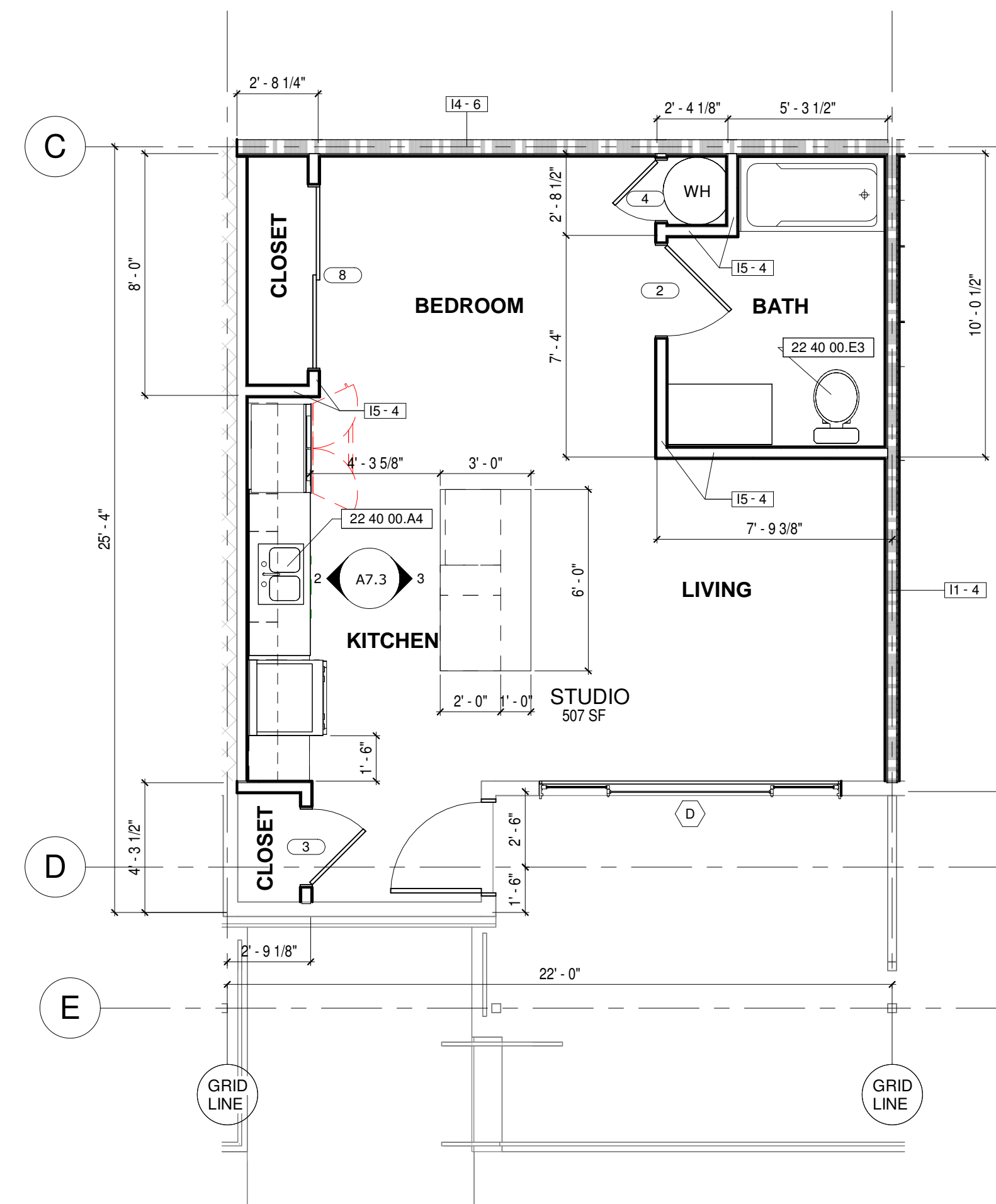
WINDOWS - STUDIO SCALE: 3/8" = 1'-0"



STUDIO ISLAND SCALE: 3/8" = 1'-0" REF: 1/A7.3 3



STUDIO KITCHEN FRONT SCALE: 3/8" = 1'-0" REF: 1/A7.3 2



STUDIO FLOOR PLAN SCALE: 1/4" = 1'-0" 1

GENERAL NOTES

1. VERIFY ALL DIMENSIONS PRIOR TO CONSTRUCTION.
2. GRID LINES ARE TO FACE OF FOUNDATION WALL, FACE OF STUD, OR CENTERLINE OF WALL / COLUMN, TYPICAL.
3. ALL DIMENSIONS ARE TO FACE OF STUD, CENTERLINE OF COLUMN OR EDGE OF SLAB, U.N.O.
4. PROVIDE STUD BRACING AND SUPPORT FOR ALL WALL MOUNTED FIXTURES AND ACCESSORIES. PER DETAIL #15#.
5. PROVIDE BLOCKING BEHIND GRAB BARS TO SUPPORT 250 LBS.
6. PROVIDE BLOCKING AROUND WATER HEATER FOR HEATER SECURING STRAPS.
7. COORDINATE WITH MECHANICAL AND ELECTRICAL.

KEYNOTES

- 22 40 00.A4 Self-Rimming Sink
- 22 40 00.E3 Toilet

CONSULTANT BRANDING

CONSULTANT STAMP

ARCHITECTURAL STAMP

NOT FOR CONSTRUCTION

Silverada Manor
1402 Silverada Blvd Reno, NV
Silverada LLC

JURISDICTIONAL STAMP

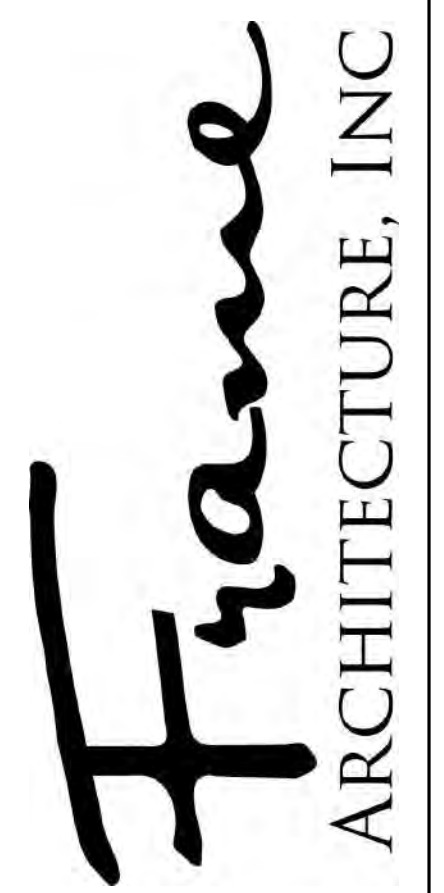
GENERAL NOTES

1. VERIFY ALL DIMENSIONS PRIOR TO CONSTRUCTION.
2. ALL DIMENSIONS ARE TO FACE OF STUD, CENTERLINE OF COLUMN OR EDGE OF SLAB, U.N.O.
3. SEE SHEET AD-1 FOR WALL TYPE INFORMATION.
4. PROVIDE INSULATION AT ALL FOUNDATIONS, EXTERIOR WALLS AND ROOF PER INSULATION SCHEDULE. U.N.O. GYPSUM BOARD AND INSULATION SHALL EXTEND FULL HEIGHT OF WALL TO UNDERSIDE OF ROOF STRUCTURE.
5. PROVIDE STUD BRACING AND SUPPORT FOR ALL WALL MOUNTED FIXTURES AND ACCESSORIES. PER DETAIL #A3.4.
6. SEE SHEET A8.1 FOR DOOR AND WINDOW INFORMATION.
7. SET DOORS ADJACENT TO WALLS A MIN. OF 4" AWAY FROM WALL U.N.O.

CONSULTANT BRANDING

KEYNOTES

CONSULTANT STAMP



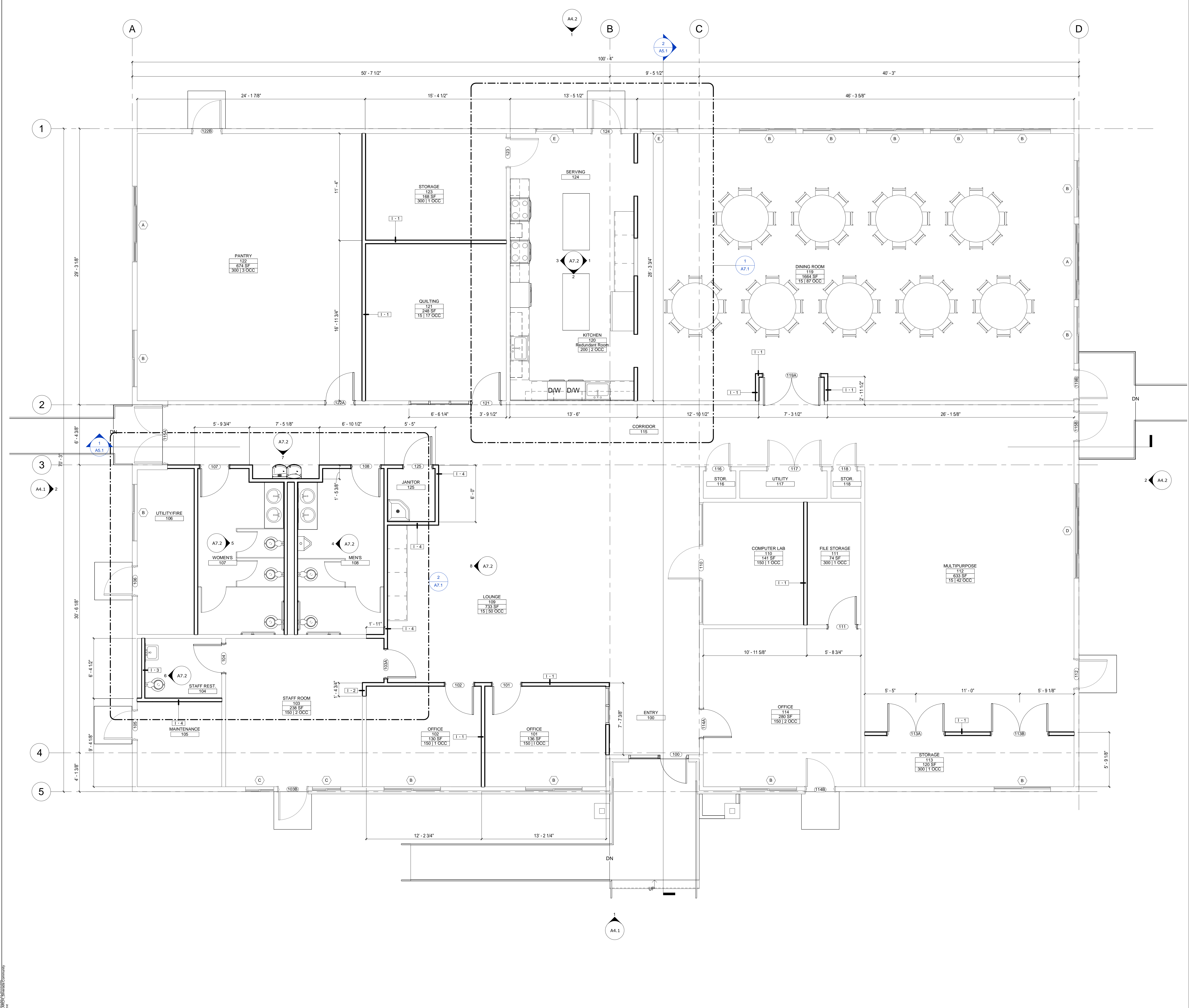
FOR CONSULTANT COORDINATION

NOT FOR CONSTRUCTION

ARCHITECTURAL STAMP

BUILDING
1402 SILVERADA BLVD, RENO, NV 89512
SILVERADA, LLC

JURISDICTIONAL STAMP



FLOOR PLAN SCALE: 1/4" = 1'-0" REF: 17/AK1 1

FRAME PROJECT No. 23-64
 Submittal Type: DESIGN DEVELOPMENT
 Printed On: 2/21/2024 3:27:22 PM
 Drawn By: Author
 Checked By: Checker

REVISION No.	DATE	DESCRIPTION

GENERAL NOTES

1. **PATH OF TRAVEL:** PATH OF TRAVEL (P.O.T.) AS INDICATED IN THESE DRAWINGS IS A BARRIER FREE ACCESSIBLE ROUTE WITHOUT ANY ABRUPT VERTICAL CHANGES EXCEEDING 1/4" MAXIMUM IN HEIGHT OR 1/2" BEVELED AT 1:2 MAXIMUM SLOPE. PER ICC A117 SECTION 303 SURFACES SHALL BE A SLIP RESISTANT, STABLE, FIRM AND SMOOTH WITH A CROSS SLOPE NOT TO EXCEED 2% AND SLOPED ONLY IN THE DIRECTION OF TRAVEL, NO GREATER THAN 3% UNLESS OTHERWISE NOTED ON DRAWINGS. PER ICC A117 SECTION 302 & 304 OBJECTS MORE THAN 27" AND NOT MORE THAN 80" ABOVE WALKING SURFACE SHALL NOT PROTRUDE HORIZONTALLY MORE THAN 4" INTO THE P.O.T. PER ICC 117 SECTION 307.
2. REFER TO CIVIL DRAWINGS FOR ADDITIONAL INFORMATION.
3. ALL EXISTING CONDITIONS SHALL REMAIN UNLESS NOTED OTHERWISE.
4. PATCH AND REPAIR ANY PAVING DAMAGED CAUSED BY DEMOLITION. REPAIR TO MATCH EXISTING.

KEYNOTES

CONSULTANT BRANDING

CONSULTANT STAMP

Frame
ARCHITECTURE, INC

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COORDINATION

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Silverada Manor
1402 Silverada Blvd. Reno, NV 89512
Silverada, LLC

JURISDICTIONAL STAMP



ACCESSIBLE UNIT LEGEND

- WHEEL CHAIR ACCESSIBLE
- HEARING/VISION ADAPTED
- TYPE B ADAPTABLE

SITE PLAN SCALE: 1" = 30'-0" 1
REV: 7

FRAME PROJECT No. - 23-64
Submitted Type: Design Development Submitted: February 2024
Printed On: 2/14/2024 3:47:10 PM
Drawn By: Author Checked By: Checker

REVISION No.	DATE	DESCRIPTION

FRAMEARCHITECTURE.COM

ARCHITECTURAL SITE PLAN

AS1.1

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 15
February 27, 2024

SUBJECT: Presentation and discussion on Preliminary Analysis of Exception Payment Standards. (Discussion)

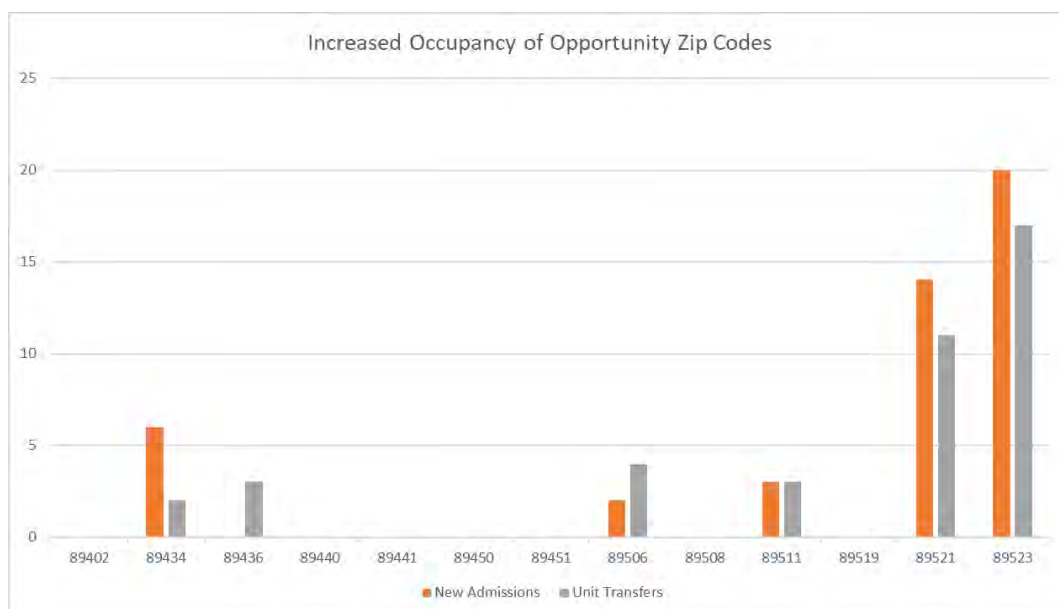
FROM: Executive Director

RECOMMENDATION: For Discussion

Background:

Effective October 1, 2022, the Reno Housing Authority Board of Commissioners approved the use of Small Area Fair Market Rent (SAFMR)-based payment standards in higher-cost zip codes throughout Washoe County, designated “Opportunity Zip Codes”. These exception payment standards were set higher than the basic payment standard, with the goal of deconcentrating poverty and offering clients the opportunity to live in zip codes with greater educational and employment opportunities.

After offering these exception payment standards for one year, a preliminary analysis of the data shows that 85 households have chosen to move to an Opportunity Zip Code. These moves are roughly split between clients who have just received their voucher and clients who are transferring their assistance from one unit to another, with 45 being new admissions and the remaining 40 being transfers. This represents 18% of new admissions and 27% of unit transfers choosing Opportunity Zip Codes.



Although households chose to move to six of the designated Opportunity Zip Codes, the majority moved to either northwest or south Reno. It is also worth noting that the largest increase in occupancy occurred in 89523, which according to the Johnson, Perkins, Griffin Apartment Survey for Q2 2023, also saw an increase in rent.

An analysis of a small sample of these households showed that nearly 56% of the clients who leased up in Opportunity Zip Codes would not have been approved to move into their units were it not for the exception payment standards. Another 11% of households would have been more rent-burdened, paying roughly 37% of their income toward rent and utilities instead of the HUD-recommended 30%. The remaining 33% of households saw no change to their out-of-pocket costs as the units they leased were priced well below the basic payment standards, despite being in Opportunity Zip Codes.

With only one year of data to analyze it is difficult to draw any significant conclusions; however, staff is confident that with another year or two utilizing this flexibility we will be better able to predict motivators for leasing in a particular area, allowing us to tailor our programs to provide maximum housing choice, promote deconcentration of poverty, and reduce the number rent-burdened households.

RENO HOUSING AUTHORITY**AGENDA ITEM NUMBER: 16****February 27, 2024**

SUBJECT: Discussion of Board Retreat goals and proposed interim goals. (Discussion)

FROM: Executive Director

RECOMMENDATION: For Discussion

Background:

At the Board's annual retreat on December 15, 2023, RHA's Board of Commissioners and its Executive Director adopted the below listed overarching goals for the agency. These high-level goals provide an overall direction for RHA and will help guide future programming and projects. Since that meeting, as discussed during the retreat, the executive and leadership teams met to determine interim goals that work to advance the selected overarching goals. These interim goals were subdivided into short-term goals that aim to be achieved within 24 months and mid-term goals that will be pursued over the next three to five years. These interim goals also incorporate carry-over goals from calendar year 2023 as also directed by the Board at the retreat.

Adopted Goals

1. Increase the amount of affordable housing RHA provides.
2. Increase opportunities for clients to break the cycle of poverty.
3. Promote health and wellness for our residents.
4. Be an integral part of our community.
5. Make data driven decisions.

The attached sheet outlines the identified interim goals associated with each overarching goal, baselines for measurement where necessary, and required Board action(s), if any, to move items forward. The Executive Director will continue to track these items and use them to ensure a nexus with budgeted activities and allocation of staff time.

Reno Housing Authority Board Goals

Effective 1/1/2024

Short Term - By 12/2026 Mid Term - By 12/2029	Goals	Board Action Needed
Board Goal #1	Continue to increase the amount of affordable housing provided by RHA.	
	Development of New Units	
<i>Short Term Goal</i>	Have 35 new units of affordable housing constructed and ready to lease.	Continued Board Support for Railyard Flats, Dick Scott Manor and Carville Court
<i>Short Term Goal</i>	Create a line of credit to assist with land acquisition & ensuring a pipeline of projects.	Board Resolution Approval to Procure
<i>Mid Term Goal</i>	Have 100 new units of affordable housing constructed and ready to lease.	Continued Board Support for Hawk View Redevelopment
	Voucher Utilization	
<i>Short Term Goal</i>	Increase landlord participation in the HCV program by 10 new landlords. (Baseline = 323 Landlords)	Ongoing Budget Approval by Board
<i>Short Term Goal</i>	Obligate 125 HUD-VASH vouchers by issuance or execution of AHAP.	Board approval of PBV Allocation
<i>Mid Term Goal</i>	Increase special purpose voucher utilization to 80%. (Baseline 57% or 379 out of 662)	Possible future PBV Approval by Board
<i>Mid Term Goal</i>	Increase landlord participation in the HCV program by 35 new landlords. (Baseline = 323 Landlords)	Ongoing Budget Approval by Board
	Other	
<i>Mid Term Goal</i>	Develop and implement 1 new non-traditional, locally based housing assistance program to expand housing choice for local residents.	MTW Plan Approval by Board
Board Goal #2	Increase opportunities for RHA residents and participants to break the cycle of poverty.	
<i>Short Term Goal</i>	Raise at least \$30,000 to support Start Smart scholarships. (Baseline = Three (3) \$10,000 scholarships)	Continued 501(c)3 Board Support
<i>Short Term Goal</i>	Increase FSS participation by 40%. (Baseline = 94 participants)	MTW Plan Approval & Ongoing Budget Approval by Board
<i>Short Term Goal</i>	Increase Start Smart program completions by 25%. (Baseline = 6 of 39 participants)	MTW Plan Approval & Ongoing Budget Approval by Board
<i>Mid Term Goal</i>	Increase the number of residents/participants of RHA programs ready to access NHD & NRH Down Payment Assistance programs.	Ongoing Budget Approval by Board
<i>Mid Term Goal</i>	Have Start Smart funded 50% with external funding sources. (Budget Baseline = \$115,000)	Continued 501(c)3 Board Support
Board Goal #3	Continue to promote health and wellness with RHA residents and participants.	
<i>Short Term Goal</i>	Provide at least one (1) new health/wellness related workshops/activities for RHA's elderly/disabled residents each quarter.	N/A
<i>Short Term Goal</i>	Provide at least one (1) new youth recreation activity each quarter.	Board Support with Donor Suggestions
<i>Mid Term Goal</i>	Offset at least 25% of the cost of new health/wellness programs with external funding.	Continued 501(c)3 Board Support
Board Goal #4	Be an integral part of the community.	
<i>Short Term Goal</i>	Increase RHA staff attendance to at least 9 community partner events per year. (Baseline = 6)	Ongoing Budget Approval by Board
<i>Short Term Goal</i>	Create and release one (1) public service announcement about RHA programs, need for landlords, resident programs, etc.	Ongoing Budget Approval by Board
<i>Short Term Goal</i>	Hold one (1) landlord/community partner appreciation event each year.	Ongoing Budget Approval by Board
<i>Short Term Goal</i>	Participate in creation of eviction diversion program through Washoe County courts.	N/A
<i>Short Term Goal</i>	Complete RHA rebranding.	Ongoing Direction & Budget Approval by Board
<i>Mid Term Goal</i>	Complete rehabilitation of Paradise Plaza and open to client.	Ongoing Board Support
<i>Mid Term Goal</i>	Work with Nevada Housing Coalition to advance legislation that supports very low-income families.	Board Approval of Lobbyist and Budget Approval by Board
Board Goal #5	Make data driven decisions.	
<i>Short Term Goal</i>	Create a set of Development Principles to guide future development opportunities.	Board Feedback
<i>Short Term Goal</i>	Finalize Board Financial reports.	Board Feedback
<i>Short Term Goal</i>	Create repositioning strategy for remaining Public Housing sites.	Board Feedback
<i>Short Term Goal</i>	Conduct needs assessment with current residents to determine future resident services programming/services.	N/A
<i>Short Term Goal</i>	Create and finalize a Development Board Report format for current development projects.	Board Feedback

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 17

February 27, 2024

SUBJECT: Closed Session: The Board may give direction to staff in closed session regarding the position or positions to be taken or the strategy to be employed, and staff may provide the Board with an update, regarding:

- A potential letter of intent to Catholic Charities related to the acquisition of the Reno Ave Parcels.

FROM: Executive Director

RECOMMENDATION: For Discussion

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 18

February 27, 2024

SUBJECT: Reconvene Open Session:

Discussion and possible approval of a letter of intent to Catholic Charities for the acquisition of property known as the Reno Ave Parcels. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 19

February 27, 2024

SUBJECT: Additional items:

- i) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)
- ii) Reports on conferences and trainings. (Discussion)
- iii) Old and New Business. (Discussion)
- iv) Request for Future Agenda Topics
- i) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time: Tuesday, March 26, 2024; and Tuesday, April 23, 2024, Tuesday, May 28, 2024. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

The next Board meeting will be held Tuesday, March 26, 2024, at noon.