

# **ADMINISTRATIVE PLAN**

FOR THE  
BUFFALO MUNICIPAL HOUSING AUTHORITY  
SECTION 8 HOUSING PROGRAM

Revised 10/09

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## **1. OUTREACH**

### **Outreach to Families**

Acceptance of applications will be made known to the public through publication in a newspaper of general circulation as vouchers become available. Further methods of outreach may be implemented as deemed necessary or expedient to reach an adequate number of eligible applicants. Acceptance of applications will be suspended and the wait list closed as it is deemed that an adequate number of applications have been or will be accumulated.

### **Outreach to Owners**

Landlords with suitable properties will be encouraged to make units available for leasing to participating families. Outreach measures will be implemented as determined by need, capacity, and experience as to the efficacy of the measures.

## **2. ELIGIBILITY**

### **Income**

All applicants must meet “Very Low Income” criteria as established by HUD. Applicants may be eligible under the less stringent “Low Income” criteria if they are:

- “continuously assisted” under the 1937 Housing Act;
- displaced by rental rehabilitation activity under 24 CFR 511;
- a non-purchasing family residing in a HOPE 1 (HOPE for Public and Indian Housing Homeownership) or HOPE 2 (HOPE for Multifamily Units) project;
- a non-purchasing family residing in a project subject to homeownership program under 24 CFR 248.173;
- displaced by the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

### **Additional Criteria**

- The head of household must be at least 18 years of age.
- The family must provide all required information or documentation.
- The family must reside in Erie County, New York or be relocating to Erie County with the assistance to be provided by the program, and reside in Erie County for one year after obtaining assistance.

- The family must not have any outstanding debt to public housing or the Section 8 program.
- The family must not have previously left an assisted unit in violation of obligations of the Housing Choice Voucher program.
- The family must not have a member who has engaged in drug-related or violent activity, regardless of whether or not the activity resulted in an arrest or conviction. The requirement to deny participation may be waived where no such incidents have occurred within the last three years and evidence of successful rehabilitation can be demonstrated.
- The family must not have been evicted from subsidized housing.
- The family must not have been terminated from Section 8 assistance within the past three years.
- The family must provide all required information and documentation and comply with all reasonable requests made by program staff, including requests for information or for a declaration of continued interest in the program.
- Non-citizen students on student visas, are not eligible to be admitted to the Section 8 Program.
- In the case of special-purpose vouchers, the additional qualifications required by those vouchers will also have to be met.

### **Lifetime Sex Offender Registration**

- a. In accordance with 24 CFR 5.856, 24 CFR 5.905, 24 CFR 960, and related rules, a criminal history background check must be performed to determine if an applicant, or any member of the applicant's household, is subject to lifetime registration requirements under any State's sex offender registration program. If screening processes reveal presence on such a list, or if an applicant withholds or falsifies information on the application, the Authority must deny participation in the Housing Choice Voucher Program.
- b. Before admission or renewal is denied, the applicant/resident must be notified of the right to dispute the accuracy and relevance of the check performed, in accordance with 24 CFR 982.554 Informal review for applicant, and 982.555 Informal review for participant.
- c. Persons of applicant's household to be screened include all adults and all juvenile members of the household to the extent permitted by the relevant State and local laws.
- d. Said screening, is mandatory at time of application for housing assistance under any Federal housing assistance program, and also mandatory at the time of recertification and/or reexamination. Those current HCV participants who have been accepted prior to June 25, 2001, or for participants moving, and who are undergoing recertification or reexamination; If any member of the household is subject to any lifetime sex offender list, or information regarding that subject is falsified or withheld, termination of the Housing Assistance Contract shall be pursued immediately.

## **Student Eligibility**

The BMHA will restrict the admission of single students enrolled at an institution of higher education. The restrictions will apply to single students 23 years old and younger who are not married, a veteran, or in the armed forces

The above student may be admitted if the student and his or her parent(s) and or guardian(s) are income eligible for the program.

Participation will be denied if the student fails to provide the name and address of all parent(s) and /or guardian(s). All income disclosed would be verified through the regular income verification process, including third party verification.

The income from a student applicant's parent(s)and or guardians(s) will not be needed if the student is deemed to be living independently. This can be established by:

- Provide a copy of a lease or rental agreement, which shows the student, has established a separate household from the parent(s)and/or guardian(s) for at least one year.
- Provide a copy of the applicant's parent(s) and/or guardian(s) tax return documenting the applicant was not claimed as a dependent for the most recent tax year.

## **Application for Assistance**

During periods of acceptance, applications will be taken at the Section 8 office. Applications will be date- and time-stamped and maintained in the order in which they are taken, subject to any preference. Applicants may be required to submit verification of eligibility at the time of submission. Incomplete or apparently ineligible applications may be removed from consideration. False information or misrepresentation of information provided on the application may be grounds for denial or termination of assistance. Where the misrepresentation results in overpayment of assistance, repayment will be required of the participant.

## **Wait Lists**

Opening of a wait list will be announced by public notice in a newspaper of general circulation. Wait lists will be maintained in compliance with 24 CFR 982.204. Applicants may be removed from a wait list if

- The applicant asks to be removed;
- The applicant fails to respond to a request for information or for a declaration of continued interest in the program;
- The applicant fails to provide notice of change of address;
- The applicant does not meet eligibility or screening criteria for the program.

**Interview**

Interviews of applicants may be required to confirm eligibility and complete required paperwork. Applicants who fail to appear for scheduled interviews may be rescheduled once upon a request made within five days of the missed appointment.

## **Briefing**

Applicants will be required to attend a briefing before receiving a voucher. Applicants who fail to appear for a scheduled briefing may be rescheduled once upon demonstration of cause presented within five days of the missed briefing. Accommodation may be considered for an applicant with a disability, so long as such accommodation does not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden.

An applicant family who has misrepresented income or family circumstances may be deemed ineligible for assistance.

## **Voucher Issuance**

Vouchers will be issued for a period of sixty days. During this time the family must submit a Request for Tenancy Approval for a unit that can be approved under program guidelines. If the family submits a request for a unit that fails to pass program requirements, the number of days from the submission to the denial of approval may be added to the term of the voucher.

Vouchers may be extended one time for a period of an additional sixty days as a reasonable accommodation or if, in the sole opinion of the PHA, market conditions substantiate the need for additional search time.

A family that requests and receives a voucher to move from a subsidized unit will be advised that the contract for that unit will be terminated. If the family subsequently decides not to move, the family must nevertheless submit a Request for Tenancy Approval for the unit, which will then be subject to the approval process, and a new assistance contract will be executed before payments on behalf of the family are resumed.

Applicants and participants who fail to submit a Request for Tenancy Approval within the voucher period may be withdrawn from the program.

## **Moving**

A reexamination will be conducted for participants who move from one assisted unit to another. Participants will be advised that leasing a unit represents a commitment of at least one year. Moves from one dwelling unit to another will be permitted no more than once every twelve months. An exception may be made where, in the sole opinion of the agency, a sufficiently compelling reason exists through no fault of the participant, and there is no reasonable alternative available.

Any request for an exception must be made in writing and requires written agreement from the landlord to break the lease as well as documentation of the

reason for the request. Participants who are denied such a request for will be allowed to request an informal hearing.

Participants who are eligible to move will be required to provide legal notice of their intent to vacate to the landlord and present a copy of the notice. The participant will also be required to provide re-certification information. A voucher will then be issued to the family and the owner will be notified that the contract for the unit will be terminated. If the family subsequently decides not to move, the family will be required to submit a Request for Tenancy Approval for the unit in which they wish to remain so that a new contract can be executed.

The family will not be re-certified at a new apartment if the family moves without permission, vacates a unit without proper notice to the owner, or moves without having paid the tenant portion of rent due to the owner. Moving when these conditions have not been met will be grounds for termination.

### 3. LEASE APPROVAL

#### Unit Sizes

Voucher sizes will be issued according to the following standards.

| Voucher | Minimum # of Persons | Maximum # of Persons |
|---------|----------------------|----------------------|
| 0       | 1                    | 1                    |
| 1       | 1                    | 2                    |
| 2       | 2                    | 4                    |
| 3       | 3                    | 6                    |
| 4       | 6                    | 8                    |
| 5       | 8                    | 10                   |
| 6       | 10                   | 12                   |

Further consideration may be allowed as follows:

- A living room may be used as a sleeping room.
- Anyone 18 years or older may be assigned a separate bedroom.
- Children of the same sex who differ in age by seven or more years may be assigned a separate bedroom.
- Children of the opposite sex may be assigned separate bedrooms when the older child reaches 5 years of age.
- An additional bedroom may be assigned for health reasons when documented by an appropriate health official.

- No allowances or deductions will be given for unborn children or for children not residing in the subsidized unit.
- A live-in aide, employed by or on behalf of a family need not be considered a member of the family in determining family income and total tenant payment. Such arrangement must be supported with a doctor's certification and must not be continued longer than necessary. The live-in aide may not be a person continuously assisted under the current lease. In the event of evidence of drug-related or violent criminal activity by the aide, the participant may be advised that the aide cannot be housed in the assisted unit.

## **Payment Standards**

The director of the program shall determine the payment standards to be used in the program up to the maximum of 110% of the current Fair Market Rents published by the U.S. department of Housing and Urban Development. Payment standards will be set taking into consideration vacancy rates, rents, and quality of the units in the area served, as well as success rates of voucher holders in finding units, financial feasibility of the standards, and other considerations may be used as deemed necessary

Families assisted under the Section 8 Program are required to pay a minimum rent of fifty dollars including the utility allowance. Minimum rent may be waived for a family with a financial hardship. Financial hardship status will be granted, upon approval of the request of the family, for a period of up to ninety days. Hardships may include but not be limited to situations in which families, through no fault of their own,

- Have lost employment before establishing eligibility for unemployment benefits;
- Are awaiting eligibility determination to receive federal, state or local assistance;
- Have lost their income through death or incapacity of a family member.

Hardship status may not be granted before the family provides adequate documentation and the information is verified.

## **Rent Reasonableness**

For each unit leased, the proposed initial rent or request for rent increase must be determined to be reasonable in relation to rents being charged for comparable unassisted units in the area. A database of unassisted units will be used to inform these determinations. Where comparable units are not available for comparison, the comparisons may be made to adjacent areas or to units that most closely resemble the unit being considered.

## **Approval of Owner**

Decisions will be made on a case-by-case basis as to whether to enter into a HAP contract with a landlord or owner. Nothing in the regulations or in this policy is intended to give any owner a right to participate in the program. Approval of a lease may be denied if the owner or landlord has:

- Violated obligations under a Section 8 HAP contract;
- Demonstrated noncompliance with HQS or state or local housing codes;
- Committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- Engaged in drug activity;
- Failed to pay state or local real estate taxes, fines or assessments;
- Failed to take action against tenants (including guests) who constitute a threat to the health, safety, or peaceful enjoyment of the premises by other tenants or by residents in the immediate vicinity of the premises, especially tenants who engage in drug-related or violent criminal activity;
- Failed to respond promptly to a reasonable request from Section 8 staff.

## **Information About Participants**

Prospective owners may, upon request, be given the names of other owners who have participated in the program as landlords for the family to whom they are considering leasing a unit.

## **4. ANNUAL REEXAMINATION**

### **Reexamination**

Reexaminations of income, composition, and other factors affecting eligibility of each family will be conducted at least annually. Families will be notified ninety days prior to the anniversary date of their contract. The notice will provide the information necessary for the family to establish continued eligibility for the program. Subsidy calculations at the annual reexamination must take into account any increases in family income.

### **Lifetime Sex Offender Registration**

At the time of recertification and reexamination, households will be asked if any household member is subject to a lifetime registration requirement under a state sex offender registration program. BMHA will use the Dru Sjodin National Sex Offenders Website, or comparable website, to substantiate the response of all adult and juvenile household members. If screening processes reveal presence on such a list or information regarding that subject is falsified or withheld, then termination of the Housing Assistance Contract shall be pursued immediately.

Persons of applicant's household to be screened include all adults and all juvenile members of the household to the extent permitted by the relevant State and local laws.

Before assistance is terminated, the participant must be notified of the right to dispute the accuracy and relevance of the check performed, in accordance with 982.555 Informal review for participant.

### **Zero Housing Assistance**

If the family's circumstances become such that no assistance payment is required, the family will be notified that a zero housing assistance payment is available for six months. If there is no change during this period that reestablishes a need for rental assistance, the contract and the family's participation will be terminated.

## **5. INTERIM REEXAMINATION**

### **Changes in Household Composition**

Changes in household composition due to birth, adoption, and court-awarded custody may be reported during the next annual re-certification. Families may request an interim re-examination for the addition of a dependent. However, if the family's sole source of income is public assistance, an interim re-examination will not be conducted.

Families must obtain prior approval for all other additions to the household. Section 8 staff will determine if an interim change is required. An interim re-examination must be conducted if there is an increase in family income due to the additional person in the household.

### **Changes in Income**

An interim recertification due to a reported decrease in income will be conducted upon the written request of the family if the decrease in income has lasted or is expected to last at least three months. The change will be implemented no sooner than the first day of the month following the month during which the satisfactory documentation of the decreased income has been obtained. Persons with annualized incomes who actually work less than a full year (e.g., Board of Education) will not be subject to such reexamination.

### **Zero Income**

A family that reports no income shall be required to report monthly to execute a zero-income statement. The family may be required to document cessation of previous income as well as ineligibility for public assistance, unemployment benefits, or other assistance. An interim re-examination will be conducted as soon as an income is obtained. Where there is no income reported for a period of six months, the family may be denied further assistance. If terminated, the family will have a right to an informal hearing.

### **Residual Family**

Upon break-up of a family, a determination will be made by the agency as to whether assistance should be continued and, if so, which family members should receive the assistance. Minor children will not be allowed to retain status of remaining family members unless a court has awarded emancipated minor status or a court-appointed legal guardian moves into the unit.

## 6. VERIFICATION

Information relating to waiting list preferences, eligibility, admission and level of benefits will be verified prior to admission. During occupancy, items related to eligibility and subsidy determination shall also be verified.

### Methods of Verification

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified with documentation provided by the family. Third-party verification will be sought for other types of information. Third-party verification (i.e., received directly from a source and not passed through the hands of the family) includes direct contact with the source, in person or by telephone, as well as written documentation.

To obtain third party verification, a request will be sent to the source along with a signed release. If the receiving agency or company fails to reply within ten days, Section 8 staff will make an effort to contact the verifying party to obtain the information by telephone or may use documentation provided by the applicant or participant. When no verification can be obtained, a notarized statement signed by the head or spouse may be accepted.

If necessary, the family will be scheduled for an interim examination if the information on their family appears unstable due to lack of appropriate documentation. In the event that the verified information does not meet the program requirements, the family will be terminated.

### Types of Verification

| <b>Verification Requirements for Individual Items</b> |  |   |
|---|--|---|
| <b>Item to Be Verified</b>                            | <b>3<sup>rd</sup> Party Verification</b>       | <b>Hand-carried Verifications</b>   |
| <b>Eligibility</b>                                    |  |   |
| Social Security Numbers                               | Letter from Social Security, electronic report | Social Security card, third party document stating Social Security Number |
| Citizenship   | N/A  | Signed certification, voter's registration card, birth certificate, etc.  |
| Eligible Immigration Status                           | INS SAVE confirmation #                        | INS Card  |
| Disability  | Letter from medical professional, SSI, etc.    | Proof of SSI or Social Security disability payments                       |

|  |   |   |
|--|---|---|
| Full-time Student Status (if >18)  | Letter from school  | Document evidencing enrollment                                      |
| Need for a Live-in Aide  | Letter from doctor or appropriate professional              | N/A   |
| <b>Expenses</b>  |   |   |
| Child Care Cost  | Letter from provider  | Bills or receipts   |
| Disability expenses  | Letters from suppliers, care givers, etc.                   | Bills and records of payment  |
| Medical expenses   | Letter from provider, record from pharmacy                  | Bills, receipts, records of payment, etc.                           |
| <b>Assets</b>  |   |   |
| Bank accounts  | Letter from bank  | Passbook, current statement   |
| CDs, bonds, etc  | Letter from institution                                     | Tax return, brochure from institution, the CD or bond               |
| Stocks   | Letter from broker or holding company                       | Stock, current statement, current stock price                       |
| Real property  | Letter from tax office, assessment, etc.                    | Property tax statement assessment, tax return                       |
| Personal property held as an investment  | Assessment, bluebook, etc                                   | Receipt for purchase, other evidence                                |
| Cash value of whole life insurance policies  | Letter from insurance company                               | Current statement   |
| Assets disposed of for less than fair market value                                       | N/A   | Original receipt and receipt at disposition, other evidence         |
| <b>Income</b>  |   |   |
| Earned Income  | Letter from employer or verification service                | Multiple pay stubs  |
| Self employed  | N/A   | Tax return from prior year, books of accounts                       |
| Regular gifts and contributions  | Letter from source  | Bank deposits, other similar evidence                               |
| Alimony/child support  | Court order, letter from source, letter from Human Services | Record of deposits, divorce decree                                  |
| Periodic payments (e.g., Social Security, welfare, pension, workers' comp, unemployment) | Letter or electronic reports from the source                | Award letter, letter announcing change in amount of future payments |

|                                |  |     |
|--------------------------------|--|-----|
| Training program participation | Letter from program indicating<br>- enrollment<br>- if HUD- funded<br>- if State or local funding<br>- if it is employment training<br>- if payments are for expenses incurred in order to participate | N/A |
|--------------------------------|--|-----|

Verification and reporting may be waived for assets that are not of sufficient value to affect the Total Tenant Payment.

**Citizenship**

Prior to being admitted, or at the first reexamination,

- All citizens and nationals will be required to sign a declaration under penalty of perjury.
- All eligible non-citizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.
- All eligible non-citizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. Status may be verified through the INS SAVE system or by mail to the INS for a manual check of INS records. Assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status, unless the family causes the delay.

Family members who do not claim to be citizens, nationals or eligible non-citizens, or whose status cannot be confirmed, must be listed as non-eligible on a statement signed by the head of household. Any family member who does not declare his status must be listed on the statement of non-eligible members. If no family member is determined to be eligible under this section, the family’s admission will be denied.

If a family member knowingly permits an ineligible non-citizen (other than those listed) to reside in the Section 8 unit, the family’s assistance will be terminated. The family will not be readmitted to Section 8 for a period of three years.

**Social Security Numbers**

Prior to admission, each family member who has a Social Security Number and who is at least six years of age must provide verification of his or her Social Security Number. New family members at least six years of age must provide this verification prior to being added to the lease. Children in assisted

households must provide this verification at the first regular reexamination after turning six.

If a member of a participating family indicates they have a Social Security Number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to sixty calendar days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated.

### **Frequency of Verification**

Household income and composition will be verified at least annually.

Prior to a new member joining the family, their status will be verified.

Verification of Social Security number will be obtained for each family member over the age of six. This verification will be accomplished prior to admission. For children who do not have a Social Security number, the number will be verified at the regular reexamination following their sixth birthday.

### **Repayment Agreements**

A repayment agreement may be offered to a participant who fails to report income, in an attempt to recover excessive housing assistance payments.

Tenants are expected to remain up to date on all payments. If the payment is late, an Intent to Terminate will be issued. If payment is still not received, a Termination letter will be sent which will include the right to an informal hearing. Failure to keep the agreement will be viewed as default and no future agreements will be made. This will effect eligibility in all programs. Default may result in referral to the Inspector General for investigation and prosecution.

## **7. INSPECTIONS**

### **Initial**

Every housing unit must meet minimum Housing Quality Standards as described in 24 CFR 982.401 before an assistance contract is executed for that unit. An inspection of each unit will be performed in order to insure that it meets these criteria. If the unit fails initial inspection and the owner indicates a willingness to make required repairs, ten days may be allowed to complete the repairs. An additional extension may be granted in cases where weather conditions or pending contracts. A second inspection will be scheduled upon expiration of the extension. If the unit fails this inspection, the family will be advised to seek alternate housing if their voucher has not expired.

### **Annual**

In addition, each unit will be inspected annually to insure that its condition is being maintained. This inspection may be conducted at the time of the family's re-certification or may be scheduled to improve efficiency in the inspection process. If the unit fails annual inspection, the owner will be allowed no more than thirty days to make repairs. If the unit fails the second inspection, payments to the owner will be abated until the unit passes inspection. If the owner has already been paid for the month, the abatement will be deducted from the next month's payment.

Abatements will not be allowed to continue longer than sixty days. When a unit is placed into abatement, the owner and the family will be notified that the contract for the unit will be terminated unless the repairs are made within the time allotted, and the family will be advised to obtain a new voucher to obtain other housing. If the family fails to obtain another voucher before the abatement period expires, their participation in the program may be terminated.

New assistance contracts may be denied owners who have had units abated. In addition, requests for rent increases may be denied for any unit abated within the previous twelve months.

Owners will not be held responsible for any breach in the Housing Quality Standards for which the family is responsible, as provided in 24 CFR 982.402(b) and 982.551(c). Assistance for the responsible family may be terminated (24 CFR 982.552).

## **Complaint**

Complaint inspections may be made to assure compliance with Housing Quality Standards.

## **Quality Control**

Qualified staff will conduct random quality-control inspections in numbers sufficient to meet HUD requirements and to insure consistency in assuring compliance with Housing Quality Standards.

## **Missed Appointments**

For any scheduled inspection for which the inspector cannot gain access to the unit, one rescheduling will be allowed. Upon a second such incident, the unit may be considered to have failed final inspection.

## **Smoke Detectors**

Housing Quality Inspections performed by section 8 inspectors will include the New York State code requirement that a smoke detector be installed in each room used for sleeping.

## 8. TERMINATION

### Grounds for Termination

Assistance may be terminated if the family

- Owes money to any federal housing assistance program;
- Has violated any family obligation under 24 CFR 982.551;
- Has engaged in drug-related or violent criminal activity, regardless of whether or not the activity results in an arrest or conviction;
- **If any member of the household is subject to a state lifetime sex offender registration requirement; or falsifies or omits disclosing this information.**
- Breaches a repayment agreement;
- Commits fraud in connection with any federal housing assistance program;
- Fails to re-certify eligibility as required;
- Moves from an assisted unit without approval;
- Has a family member over the age of 18 who fails or refuses to sign HUD 9886;
- Has damaged an assisted unit resulting in its failing Housing Quality Standards;
- Refuses the reasonable request of agency staff.

A family who has misrepresented income or family circumstances may be terminated from participation in the program. Where the misrepresentation results in overpayment of assistance, repayment will be required of the participant.

No family whose assistance is terminated may be reinstated to the program. The family must reapply when applications are being accepted and take their place on the waiting list. Furthermore, a family whose assistance is terminated will not be issued another voucher until at least three years have elapsed.

### Absence from Unit

Housing assistance payments terminate if no family member is residing in the unit for longer than sixty days. In the case of illness or hospitalization, a resumption of assistance may be permitted at the discretion of the agency, so long as no more than six months have elapsed.

## **9. GRIEVANCE PROCEDURES**

### **Informal Review for Applicant**

Applicants who are denied participation in the program will be notified of the reasons for the denial and advised that they have ten days from the date of the notice to submit a written request for an informal review of the decision. A staff member not involved in the decision will conduct the review. The applicant will be allowed to present oral or written objections at the review. The applicant will be notified of the final decision after the review, which will include a brief statement of the reasons for the final decision.

Informal reviews will not be available (24 CFR 982.554) to dispute any

- Discretionary administrative determinations;
- General policy issues or class grievances;
- Determination of unit size under subsidy standards;
- Determination not to approve extension or suspension of a voucher term;
- Determination not to approve tenancy;
- Determination that a unit does not meet HQS;
- Determination that a unit does not meet HQS because of family size or composition.

### **Informal Hearing for Participant**

Participants may request an informal hearing (24 CFR 982.555) to dispute

- A determination of annual or adjusted income, and the use of such income to compute the housing assistance payment;
- A determination of the appropriate utility allowance from the utility allowance schedule;
- A determination of the unit size under the subsidy standards;
- A determination to terminate assistance because of the family's action or failure to act;
- A determination to terminate assistance because of the family's absence from the unit for more than sixty days.

Participant families will be notified that they have ten days to submit a written request for an informal hearing. The family will be given the opportunity to review any documents that are directly relevant to the hearing and make copies at the family's expense. The family must also make available any relevant documents that it has prior to the hearing. A staff member who has not participated in the decision will conduct the hearing. The participant will receive a copy of the hearing decision.

A family may request to reschedule a hearing date only upon showing "good cause," which is defined as an unavoidable conflict that seriously affects the health, safety, or welfare of the family.

Informal hearings will not be available to dispute any

- Discretionary administrative determinations;
- General policy issues or class grievances;
- Establishment of utility allowance schedules;
- Determination not to approve extension or suspension of a voucher term;
- Determination not to approve tenancy;
- Determination that a unit does not meet HQS;
- Determination that a unit does not meet HQS because of family size or composition.
- Determination by the agency to exercise or not to exercise any right or remedy against an owner under a HAP contract.

Any changes in policy resulting in significant impacts will be subject to comment and approval prior to implementation. Significant impacts are defined as termination of assistance.

## **10. OPERATING RESERVE**

An operating reserve will be maintained as a resource to pay Section 8 administrative costs that exceed earned administrative fees for a fiscal year. Use of more than \$25,000 of this reserve will require approval of the Board of Commissioners.

## **11. PROJECT-BASED PROGRAM**

Any project-based Section 8-subsidized units will be filled from the wait list. However, the wait list may be opened exclusively for project-based subsidy as well as together with tenant-based rent subsidy applications.

## **12. HOMEOWNERSHIP OPTION**

The homeownership option will be administered according to 24 CFR Parts 5, 903, and 928.

The purpose of this program will be to provide the possibility of homeownership through self-sufficiency training and support to first-time homebuyers as defined by current HUD policy or for families acquiring shares in a cooperative. Parameters will be provided in order to minimize defaults.

The BMHA will solicit the participation of local agencies to assist in the implementation of this program in order to bring their expertise to bear and increase the effectiveness of the program.

### **Eligibility**

The Homeownership Option will be offered to current Section 8 participants and to applicants for assistance who meet the general requirements for admission to the Section 8 tenant-based voucher program. In addition, the candidate must be a first-time homebuyer (§ 982.4), a member of a cooperative (§ 982.4), or a family of which a member is a person with disabilities. The family must also demonstrate that the annual income of the adult family members who will own the home is not less than the Federal minimum hourly minimum wage multiplied by 2,000 hours. Except in the case of an elderly or disabled family, welfare assistance income will not be counted for this purpose. In no case will participation be permitted where default on a mortgage obtained through the Homeownership Program has occurred.

### **Application**

Families who indicate interest in the Homeownership Program will have eligibility determined by Section 8 staff. The family must not only meet the above requirements but must also currently be in good standing with the Section 8 Program. This includes having no outstanding debt to the Section 8 Program, no history of late rent payments, and full compliance with all program requirements and staff requests. The Buffalo Municipal Housing Authority will be the final arbiter of whether an applicant meets this criterion.

Enrollment will be limited to 20 participants.

## **Homeownership Counseling**

Upon approval of the candidate's application, the family will be provided with HUD-approved homeownership counseling. A credit report will be required to determine whether a program of credit counseling and credit repair is required. Other areas of counseling will include budget and money management, types of financing, how to find appropriate financing, selecting a neighborhood, how to find a home, how to negotiate a purchase price, and home maintenance. Families will be encouraged to consider the advantages of purchasing a home outside of high-poverty areas.

## **Program Requirements**

Candidates must demonstrate satisfactory participation in counseling activities before proceeding with the purchase of a home. Upon determination of full qualification, the family will be given 90 days to locate a home to purchase. The home must be single-family dwelling that is either under construction or already existing. After that choice has been made, the family will be allowed an additional 90 days to secure financing and close on the chosen property. At the option of the BMHA, these limitations may be extended or revised. Should the family be unable or unwilling to follow through with the Homeownership Option, the family will be issued a regular rental voucher or continue in the program as a renting participant.

Once the home is purchased, the family must live in the home, comply with the mortgage, and, at the option of the BMHA, attend and complete additional homeownership counseling. Failure to attend such counseling may be grounds for termination from the program. In addition, if a family defaults on a mortgage, the family will have their voucher withdrawn and no new voucher will be issued.

Participants who have purchased homes must complete annual re-certification in order to demonstrate continued eligibility for subsidy. Any sale or other transfer of any interest in the home must be reported immediately.

## **Financing**

The program will prohibit private-seller financing and any financing, which includes balloon payments. The maximum interest rate may be no more than one percentage point above the current Fannie Mae ninety-day delivery note rate. The BMHA may review lender qualifications and loan terms before authorizing homeownership assistance. The BMHA reserves the right to approve any financing, refinancing, or other debt.

## **Inspections**

Prior to approval of homeownership assistance, an inspector certified by the American Society of Home Inspections or the National Association of Home Inspectors must inspect the property. This inspection will cover major building systems and components and provide a list of items that are likely to need repair or replacement within the next five years. The BMHA will also conduct an HQS inspection of the home. The findings of these inspections will be considered by the BMHA before approving the property for homeownership assistance.

## **Limitations**

The limit of homeownership assistance will be ten years from the date of the first Homeownership Option subsidy payment. If the initial mortgage incurred to finance the purchase of the home has a term of twenty years or longer, the limit may be extended to fifteen years at the option of the BMHA. Elderly and disabled families are exempt from this limit.

The BMHA will encourage participants to establish a savings account in order to establish a reserve fund for replacement and repair needs.

The BMHA reserves the option of revising this plan, effective retroactively, with the best interest of the participants as the deciding factor.

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