



**Department of
Housing Preservation
& Development**

Department of Housing Preservation and Development

Rental Subsidy Program

Administrative Plan

November 1st, 2020

This administrative plan does not cover HPD's Section 8 Housing Choice Voucher (HCV) subsidy program. For HCV policies, please visit the following link:

[HPD's Housing Choice Voucher Program Administrative Plan](#)

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1 OVERVIEW

1.1 Rental Subsidy Program

The New York City Department of Housing Preservation and Development (HPD) is organized under the Charter of the City of New York and New York State enabling legislation. A Commissioner who is appointed by the Mayor and confirmed by the City Council of New York City is the authorized official who governs the agency. The overall mission of HPD is to improve the availability, affordability and quality of housing in New York City (NYC) through a variety of preservation, development and enforcement strategies.

Subject to funding availability, HPD, through its Division of Tenant Resources (DTR), operates a Rental Subsidy Program (RSP) to provide rental subsidies to qualified low-income families and individuals. RSP is an umbrella program which may have one or more sub-programs. Each RSP sub-program involves collaboration between HPD and one or more partners (which may include another HPD division other than DTR). The funding and unique program requirements for each RSP sub-program are determined based on Memoranda of Understanding or other agreements between HPD and partner agencies.

RSP has some, but not all, of the features of HPD's Housing Choice Voucher (HCV) program as defined herein. However, each RSP sub-program has its own unique program features and participation requirements which generally include:

- Funding source
- Target population
- Eligibility criteria
- Rent calculation
- Partner agency referral mechanisms
- Support services
- Duration of assistance
- Participant service or other requirements
- Additional participant, owner, and/or service provider obligations

A description of each RSP sub-program, including its unique program features, preferences, eligibility criteria and participation requirements are attached as appendices to this plan. As new sub-programs are added, modified or terminated, HPD will add, revise or remove appendices to this Plan.

1.2 Purpose of the Administrative Plan

The purpose of this Administrative Plan is to establish HPD's policies for implementing the Rental Subsidy Program.

1.3 Covered Programs

The policies described herein apply to all RSP sub-programs included in the appropriate appendix. HPD may add, modify or terminate any of the sub-programs at its sole discretion.

1.4 References to HCV Forms, Statutes and Regulations

The RSP Administrative Plan incorporates references to federal statutes, standard HCV forms issued by the US Department of Housing and Urban Development (HUD) and/or the Code of Federal Regulations (CFR) in a number of chapters. Generally, these references are related to the federally-funded HCV program. As some RSP sub-programs may not be funded by HUD sources, federal regulations, HPD is not obligated to use standard HUD forms and statutory references pertaining to HCV for RSP. However, these references are included to provide guidance to staff and participants in the administration of the RSP program. By including these references in the RSP Administrative Plan, HPD is clarifying its intention to incorporate some federal standards and forms into the administration of the RSP program.

For example, HPD incorporates references to HUD's Housing Quality Standards and 24 CFR Part 35 related to Lead Based Paint requirements. This indicates that the same standards used to inspect HCV dwelling units will be used for units subsidized under RSP. As another example, HPD notes the use of standard HUD forms to report discrimination, request accommodations under the Violence Against Women Act, and for other program purposes. RSP participants will be able to utilize these same forms where applicable.

In the event that references to federal statutes, standard HCV forms or federal regulations are in conflict with the program description(s) of one or more RSP sub-programs included in that sub-program's appendix, the program description(s) in the appropriate appendix shall apply.

1.5 Changes to the Administrative Plan

HPD may modify this Administrative Plan as needed to reflect current policies and procedures, including changes to the RSP sub-programs defined in each appendix.

1.6 Contacting HPD

Applicants and Participants can contact HPD in person at 100 Gold Street, New York, NY 10038, during posted business hours, by phone at 917-286-4300, or by email. A list of frequently used email addresses can be found at HPD's website at: www.nyc.gov/hpd-section-8-contact.

2 FAIR HOUSING AND EQUAL OPPORTUNITY

2.1 Nondiscrimination

It is HPD's policy to fully comply with federal, state and local nondiscrimination laws and with the rules and regulations which govern Fair Housing and Equal Opportunity in housing and employment.

HPD shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Rental Subsidy Program on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability, sexual orientation, gender identity, lawful source of income, prior record of arrest or conviction, status as a veteran, or status as a victim of domestic violence.

To further its commitment to full compliance with applicable Civil Rights laws, HPD will provide federal, state and local information to RSP participants regarding unlawful discrimination and any recourse available to participants who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session and all applicable Fair Housing Information and Discrimination Complaint forms will be made a part of the participant's briefing packet. Fair Housing posters are displayed throughout HPD's offices, and staff will attend Fair Housing training courses as deemed necessary.

2.1.1 Discrimination Complaints

In the event that a person alleges discrimination in their housing search, the case will be forwarded to the Law Enforcement Bureau of the NYC Commission on Human Rights. Staff in this office will assist the client in filing a HUD-903 form and will conduct an investigation into the matter.

New York City's Local Law 10 of 2008 prohibits owners of buildings with six or more units from discriminating against tenants or applicants for housing based upon lawful sources of income, which includes RSP. HPD's briefing booklets and posters in the Client Services area inform participants that they may file complaints with the Law Enforcement Bureau of the City's Commission on Human Rights.

Depending on the nature of the complaint, HPD may suspend the coupon term from the date that the complaint was made. A suspension of the coupon term means the clock is stopped during the suspension period. For example, if a 120-day coupon is suspended for a period of 10 days, the total life of that coupon would be extended to 130 days.

2.2 Affirmatively Furthering Fair Housing

HPD, with the assistance of other New York City agencies, identifies impediments to fair housing as described in the five-year Affirmatively Furthering Fair Housing (AFFH) statement submitted by the City of New York to HUD/FHEO. The New York City Consolidated Plan identifies activities undertaken by HPD to examine its programs to identify and overcome impediments to fair housing. Examples of these activities include contracting with local nonprofit organizations for fair housing counseling, reviewing fair housing marketing plans, and providing trainings. HPD reaffirms its commitment to

correct the effects of any impediments to fair housing. The identified impediments to fair housing include: residential segregation by race and ethnicity, discrimination by some housing industry entities, addressing the needs of an increasing local immigrant population and the unique needs of the approximately 1.9 million New Yorkers with disabilities.

HPD addresses identified impediments to fair housing through efforts to preserve, upgrade, develop and make accessible affordable housing for all New Yorkers. HPD acts as a catalyst for private sector investment and the economic revitalization of local communities with the greatest needs. HPD provides loans and other financial assistance, enforces housing quality standards, maximizes local management and ownership of City-owned residential buildings and provides HCV and RSP assistance for homeless and low-income individuals and families. In addition:

- HPD is committed to the policy of promoting fair housing to achieve the inclusion of individuals and families of all racial and ethnic groups as tenants and/or buyers in all publicly funded or assisted projects in accordance with applicable federal, state and local fair housing laws;
- HPD loan recipients are required to comply with Affirmative Fair Housing Marketing Regulations. Recipients submit marketing plans that detail the strategies to be employed to attract all prospective tenants, including the least likely to apply, in a nondiscriminatory manner. These documents require that the recipients attest to their awareness of applicable fair housing laws. Recipients are also required to maintain records that describe the strategies undertaken and their results, including an ethnic/gender breakdown of all occupants;
- HPD is one of a number of agencies that addresses and refers housing discrimination. Clients who wish to make fair housing complaints are directed to the U.S. Department of Housing and Urban Development Housing Discrimination hotline (1-800-669-9777) and/or the New York City Human Rights Commission by calling 311; and
- As addressed in Section 2.3 of this chapter of the Plan, HPD makes reasonable accommodations for people with disabilities to ensure that they may fully access and use the RSP program and related services. Families must request reasonable accommodation, and HPD will review each request.
- HPD will take affirmative steps to communicate with people who need services or information in a language other than English.

2.3 Reasonable Accommodations for Persons with Disabilities

HPD's policies and practices will make reasonable accommodations for persons with disabilities to ensure that they may fully access and use the RSP program and related services. The opportunity for requesting an accommodation will be provided on the RSP application and other forms or letters. This policy is intended to afford persons with disabilities equal opportunity to obtain the same results and gain the same benefits as

those who do not have disabilities, and it is applicable to all situations described in this plan.

Reasonable accommodations will be made only after applicants or participants with a disability request a change to HPD's generally applicable policies or practices. To be eligible to request reasonable accommodation, the individual making the request must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the applicable definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and the Americans with Disabilities Act.

A family must request a reasonable accommodation by completing a Reasonable Accommodation Request form. The option of providing a letter from a medical professional is also available to participants. HPD will contact the health provider listed by the family to verify the person's disability and the need for the reasonable accommodation, review all requests and make a determination to approve or deny based on the information provided. In accordance with Section 504 of the 1973 Rehabilitation Act, if the need for the accommodation is not readily apparent, the family must explain the relationship between the requested accommodation and the disability. In order for HPD to approve a reasonable accommodation, there must be an identifiable relationship between the requested accommodation and the individual's disability.

HPD may deny the request if it will cause an undue financial or administrative burden, or will change the fundamental nature of the program. Applicants and participants will be notified by mail or phone.

For tenant-based RSP participants and applicants, HPD will provide reasonable search time and extensions to accommodate families with disabled persons so that they may locate housing to meet their needs. Reasonable search time will be defined by HPD, but will not be indefinite.

2.4 Improving Access to Services for Persons with Limited English Proficiency

HPD will comply with the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal Register* in addition to Executive Order 120 and 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).

In determining whether it is feasible to provide translation of documents written in English into other languages, HPD will consider the following factors:

- The number of applicants and participants in the jurisdiction who do not speak English and speak a different language;
- The estimated cost to HPD, per client, of the translation of documents into other languages; and
- The availability of local organizations or City government staff to provide translation to non-English speaking families.

2.5 Violence Against Women Act (VAWA)

2.5.1 Terminating or Denying Assistance to Domestic Violence, Dating Violence, Sexual Assault or Stalking Victims and Offenders

The Violence Against Women Reauthorization Act of 2013 (VAWA) provides that an applicant for or participant 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. These VAWA related protections are available to all eligible individuals and families without regard to actual or perceived sexual orientation, gender identity or marital status. These protections are available to RSP applicants and participants.

In cases of family break up that result from domestic violence, dating violence, sexual assault or stalking, HPD will exercise its authority to deny or terminate assistance to a perpetrator and continue assistance to a victim. Policies related to how this is determined are outlined in the Family Break-Up section (7.2.8) of this Administrative Plan. In the event that a perpetrator's subsidy is terminated in order to transfer it to the victim, the perpetrator will not receive a separate subsidy.

VAWA does not limit HPD's authority to terminate or deny the assistance of any participant or applicant if HPD can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance.

2.5.2 Definitions of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

In accordance with 24 CFR Part 5, Subpart L, below are definitions of key terms related to VAWA.

Domestic violence: includes but is not limited to violent acts, which may include felony or misdemeanor crimes of violence committed by:

- A current or former spouse or intimate partner of the victim;
- A person with whom the victim shares a child in common;
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies; or
- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

HPD considers violent acts to include, but is not limited to, use or threatened use of physical force that may cause physical or psychological injury or harm, threats against oneself or another person, harassment, emotional abuse, sexual abuse, bullying or intimidation or financial abuse.

Dating violence: means violence committed by a person:

- Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - The length of the relationship;
 - The type of the relationship; and
 - The frequency of interaction between the persons involved in the relationship.

Sexual assault: means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Stalking: means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- Fear for their individual safety or the safety of others; or
- Suffer substantial emotional distress.

2.5.3 Victim Documentation

When a participant family is facing termination of subsidy or an applicant family is facing denial of assistance because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or individual affiliated with the participant claims that they are the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault, or stalking, HPD will require the individual to submit documentation affirming that claim. An affiliated individual is a spouse, parent, brother, sister, or child of that individual or an individual to whom that individual stands in loco parentis, or any individual, tenant, or lawful occupant living in the household of that individual.

HPD will accept one of three methods for certification of a claim:

- A completed HUD form 5382; and/or
- A federal, state, tribal or territorial or local police or court record; and/or
- Documentation signed and attested to by an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional, or a mental health professional (collectively, "professional") from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. Any third party documentation provided must be accompanied by a completed Third Party Certification form or must be countersigned by the participant or applicant providing documentation. It must specify, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under this subpart, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking under 24 CFR § 5.2003.

The required certification and supporting documentation must be submitted to HPD within 30 calendar days after HPD issues its written request. The 30-day deadline may be extended at HPD's discretion. HPD will hold the termination/denial action until the end of the deadline. HPD reserves the right to require additional documentation if the

original documentation is not sufficient for HPD to determine whether to grant the request (e.g., emergency move, transfer of subsidy from Head of Household to family member). If the individual does not provide the required certification and supporting documentation within 30 calendar days, or the approved extension period, HPD may proceed with the original termination/denial of assistance reason.

HPD may request and accept additional documentation in cases where there is conflicting information in documentation provided. Conflicting information includes cases where there is a competing claim for VAWA protection from another family member. The applicant or participant is given 30 calendar days from the date of the written request to provide such documentation. Third party documentation of victim status may be requested if:

- More than one applicant or tenant provides documentation to show they are victims of domestic violence, dating violence, sexual assault or stalking, and the information in one person's documentation conflicts with the information in another person's documentation; or
- Submitted documentation contains information that conflicts with existing information already available to HPD.

HPD has the discretion to deny VAWA protections to the applicant or tenant(s) if the request for additional third-party documentation for conflicting information is not received. In some instances, this may lead to denial of assistance.

2.5.4 Terminating or Denying Assistance to an Offender

VAWA does not provide protection for offenders or perpetrators of domestic violence, dating violence, sexual assault or stalking. HPD may terminate or deny assistance to the perpetrator while continuing assistance or eligibility to assistance for the victim. This authority supersedes any local, state, or other federal law to the contrary. However, if HPD chooses to exercise this authority, HPD will follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance [Pub.L. 109-271].

When the actions of a participant, applicant, affiliated individual or other family member result in HPD's decision to terminate or deny assistance, and another family member claims that the those actions were directly related to domestic violence, dating violence, sexual assault, or stalking, HPD will request that the victim submit the required certification and supporting documentation in accordance with the stated timeframe in Section 2.5.3. If the victim submits the certification and supporting documentation within the required timeframe, or any approved extension period, HPD will terminate or deny the offender's assistance. If the victim does not provide the certification and supporting documentation, as required, HPD will proceed with termination or denial of the entire family's assistance.

HPD will bypass the standard process and proceed with the immediate termination or denial of the family's assistance if HPD can demonstrate an actual and imminent threat to residents of or employees of the owner of the assisted unit.

2.5.5 Emergency Move and Portability Policy

Under the tenant based RSP, HPD may provide a coupon and allow a move even if there is a violation of the lease. The move with continued assistance can be within New York City or outside under portability procedures described in Chapter 14. Individuals qualifying as victims of domestic violence in accordance with 24 CFR Part 5, Subpart L are eligible for a VAWA Emergency Move if they express that they do not feel safe and either:

- The tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains in the original unit; or
- A sexual assault had occurred prior to the request to transfer (if the tenant did not express a feeling of being threatened or in danger, but there is a documented instance of sexual assault, that would also qualify the tenant for transfer).

HPD's Emergency Move Policy allows the tenant to request an emergency move if they are the Head of Household and provides documentation as described in the Victim Documentation section (2.5.3). If the victim is not the Head of Household, then a discretionary administrative determination may be made by an HPD employee at the level of Director or higher (or his/her designee) to terminate the subsidy for the head of household and transfer the RSP subsidy to the victim. In the case of tenant-based RSP programs, HPD may also issue a coupon to the victim. HPD does not have the authority to split one coupon into two coupons; only one party may have use of the coupon.

HPD's VAWA related move policies and accommodations for participants and applicants are laid out in a Frequently Asked Questions format on HPD's website.

2.5.6 VAWA Self-Petitioner Status

HPD will review non-citizen applicant or participant requests for admission or continued occupancy as a result of being a self-petitioner under the Violence Against Women Reauthorization Act of 2013. A VAWA Self-Petitioner is a non-citizen applicant or participant who petitions the federal government and claims to be a victim of "battery or extreme cruelty," which includes domestic violence, dating violence, sexual assault and stalking perpetrated by their spouse, intimate partner or parent, who is a citizen or lawful permanent resident.

In order to establish eligibility for benefits through HPD, the VAWA Self-Petitioner must provide HPD with documentation from their VAWA petition to the federal government: an I-360 VAWA Self Petition, an I-130 Family-Based VISA Petition, or a USCIS Form I-797.

If an I-130 Family-Based VISA Petition is submitted, HPD may request evidence of battery or extreme cruelty in order to support the claim. Once the VAWA Self-Petitioner submits an I-360 VAWA Self Petition, an I-130 Family-Based VISA Petition, or a USCIS Form I-797, HPD will verify eligibility in the United States Citizenship and Immigration Services (USCIS) SAVE system by following the procedures per PIH Notice 2017-02 (HA)

Housing assistance and all other VAWA protections will be granted to the VAWA Self-Petitioner applicant or tenant throughout the approval process until the federal government makes a final determination of lawful permanent residency. If the federal

government does not approve VAWA Self-Petitioner status, HPD will notify the individual and take action to terminate assistance. HPD will also inform the individual of local agencies that provide domestic violence and immigration support services.

2.5.7 Confidentiality Requirements

All information provided to HPD regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of such violence, assault or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure:

- Is requested or consented to by the individual in writing,
- Is required for use in a subsidy termination proceeding, or
- Is otherwise required by applicable law.

The perpetrator has a right to examine HPD's documentation relevant to the termination or denial of an application. This examination may include access to documentation provided by the victim claiming VAWA protections as part of an informal review or informal hearing regarding denial of assistance or termination. To protect the victim's safety, any information that would reveal the location of the victim, or the location of any services that the victim is receiving must be maintained confidentially (i.e., redacted from the shared documentation). If the victim chooses not to give HPD permission to disclose any documents to the perpetrator, those documents will not be used in termination action against the perpetrator.

2.6 Promoting Deconcentration

To promote deconcentration of low-income families, HPD will encourage property owners outside of areas of minority or poverty concentration to participate in the RSP program.

Using data from the U.S. Census Bureau and HPD's Housing and Vacancy Survey, the agency will obtain information on areas in its jurisdiction and neighboring jurisdictions that are not poverty or minority concentrated. This data will be organized by community or neighborhood boundaries for easier understanding by RSP clients. Once the areas of opportunity are identified, HPD will perform outreach activities to property owners to encourage them to participate in the program.

Examples may include:

- Placing advertisements in local or neighborhood-based newspapers;
- Coordinating with local real estate boards and organizations;
- Meeting with relevant community and business associations; or
- Meeting with elected officials to explain the benefits of the program and to seek outreach assistance.

Within the constraints of the Fair Market Rent-based system, HPD will make concerted efforts to coordinate outreach efforts in areas of non-minority/non-poverty concentration with community groups and/or organizations engaged in fair housing issues and

community development activities. Based on the most recent available census data (2010), areas of HPD's jurisdiction that would promote deconcentration for RSP clients and are within a reasonable rent range of HPD's payment standards include the following:

Bronx: Baychester/Eastchester, Kingsbridge/Marble Hill, Pelham Gardens, Pelham Parkway and Throgs Neck/Edgewater Park

Brooklyn: Canarsie and Flatlands

Queens: Queens Village, Cambria Heights, Rosedale, Forest Hills, Rego Park, Corona, Ozone Park, and Howard Beach

Staten Island: Tottenville, Great Kills, New Springville and South Beach

Municipalities outside of HPD's jurisdiction in nearby Westchester and Nassau counties maintain expanded housing opportunities for HPD's coupon holders for federally-funded, tenant-based RSPs. Areas of poverty and minority concentration within and outside of HPD's jurisdiction are outlined on a map of the city that is included in the briefing booklet provided at coupon issuance for tenant-based RSPs. A listing of high opportunity areas in neighboring jurisdictions is provided at briefings.

At the coupon briefing, families are encouraged to search for housing outside areas of poverty and minority concentration areas. On occasion, HPD will investigate and analyze when coupon holders are experiencing difficulties locating or obtaining housing units outside areas of concentration and will consider additional outreach strategies, including exception payment standards, to ameliorate the situation.

3 ADMISSIONS PREFERENCES

Each RSP sub-program has unique admissions preferences and eligibility criteria that are defined in the program description(s) in appendices to this Plan. Preferences and eligibility criteria are determined based on funding source, local needs, partner agency priorities and other factors. Only those households that meet the specified admissions preferences and eligibility criteria are eligible for assistance under RSP.

HPD's RSP partner agencies are responsible for assessing and making determinations as to whether applicant(s) meet the admissions preferences and eligibility criteria for RSP unless otherwise noted in applicable appendices.

4 APPLICATIONS, WAITING LIST AND TENANT SELECTION

4.1 The Application Process

HPD's Division of Tenant Resources (DTR) is responsible for administration of RSP. HPD DTR does not directly accept applications from the general public for RSP, i.e., there is not an open waiting list or open enrollment process. The application process for each RSP sub-program is described in its corresponding appendix.

Generally, the application process for each RSP sub-program includes the following steps. References to "RSP partner agency" in this Administrative Plan refer to either third party agency partners or other HPD divisions outside of DTR:

- RSP partner agency performs outreach and/or identifies individuals or households that may meet the preference and eligibility criteria defined in each sub-program's appendix.
- RSP partner agency conducts intake including gathering documentation from applicant and/or third parties as needed to document preference and eligibility status, along with other documents required by HPD.
- RSP partner agency utilizes HPD-approved application and intake forms.
- RSP partner agency notifies applicants that do not meet preference and/or eligibility criteria.
- For applicants who meet the preference and eligibility criteria, RSP partner agency transmits to HPD DTR a completed application package in an electronic and/or hard copy format approved by HPD DTR. The application package shall include a certification from partner agency indicating that the applicant meets the applicable preference and eligibility criteria.
- Upon receipt, HPD DTR reviews the application package to determine if it is complete. If not complete, DTR shall return the application package to the RSP partner agency for further processing. The RSP partner agency shall be responsible for all follow up contacts with the applicant needed to complete the application package.
- If DTR determines that the application package is complete, DTR will add the applicant to the applicable RSP sub-program waiting list.

4.1.1 Application Format

During periods when the wait for Rental Subsidy Program assistance is shorter than 12 months, HPD's DTR will require that applicants submit a full application and all supporting documentation in order to be placed on the waiting list. Alternately, HPD DTR will institute a preliminary application process during periods when the wait for assistance is longer than 12 months.

Full applications require the following information (Deviations from this listing will be noted as applicable in the relevant appendices):

- A completed HPD Application for Rental Subsidy Program;
- Proof of all income and assets in accordance with 24 CFR Part 5;
- Proof of Social Security numbers for all members of the household who have been issued or are eligible to be issued a Social Security number;
- Proof of eligible immigration status for every family member that declares eligible non-citizen immigration status (HPD may request further documents in accordance with 24 CFR Part 5);
- Proof of age for all members of the household;
- Documentation of allowable expenses in accordance with 24 CFR Part 5;
- Release of Information Authorization (Privacy Notice);
- Absent Parent Affidavit(s), if applicable;
- Declaration Package with a signed declaration of citizenship or proof of eligible immigration status for every family member (HPD may request further documents in accordance with 24 CFR Part 5);
- Any other information that HPD DTR deems necessary to determine program eligibility in conformance with applicable statute, regulation and HPD policy; and,
- Additional application material required under specific preference and eligibility requirements outlined in the appendices.

Additionally, applicants may submit an Optional Supplement to Application for Federally Assisted Housing Form.

If any applicant family misrepresents the information on which eligibility or tenant rent is established, HPD may deny assistance and may refer the family file or record to the HPD Inspector General at the New York City Department of Investigation for appropriate action.

4.2 Waiting List

4.2.1 Waiting List Organization and Management

HPD DTR will maintain a separate waiting list for each RSP sub-program. Applicants are allowed to be placed on multiple waitlists at once.

When a complete application is submitted to DTR by the RSP partner agency, it establishes the family's date and time of application for placement order on the applicable RSP sub-program waiting list.

While on the waiting list, the applicant must immediately inform DTR of changes in contact information, including current residence, mailing address and phone number and change in preference status, family composition and income. In some cases, this updated information may be provided to DTR by the RSP partner agency.

An applicant does not have any right or entitlement to be listed on HPD DTR's waiting list, to any particular position on the waiting list, or to admission to the program.

4.2.2 Multiple Families in the Same Household

Households consisting of two families living together will be treated as one household if they apply as one family unit.

4.2.3 Changes to Households Prior to New Admission

HPD will accept changes to family composition at the time of application from households in accordance with the policies laid out below as long as the family continues to meet preference eligibility criteria. If a family breaks up, please refer to Section 7.2.8 for HPD's Family Break-Up policy.

4.2.3.1 Increase in Family Size After Application Submission

Requests to add household members to family composition may be submitted at any time prior to new admission. Additions based on marriage, domestic partnership, birth, adoption, or court-awarded custody will be approved if supportive documentation is submitted. Requests to add other household members will be reviewed on a case-by-case basis and must be accompanied by documents demonstrating an interdependent relationship among household members. If a family requests to add a household member once a coupon has been issued, and the change results in an increase in coupon size, the remaining coupon search time will apply. HPD may use its discretion to authorize addition search time on a coupon.

4.2.3.2 Request to Change Head of Household

At any time prior to New Admission, the Head of Household can request to change the Head of Household to another member listed as part of the household on the original application. HPD will review the request and will consider the following factors when making the determination:

- Whether the Head of Household requested to relinquish the subsidy and/or will remain on the household composition;
- Whether the proposed Head of Household was listed on the original RSP application; and
- Whether there is still a member of the family remaining on the household composition that meets preference.

4.2.4 Opening and Closing the Waiting List

Applications for RSP will be placed onto the waiting list by HPD only until there are a sufficient number of applicants on the waiting list to utilize the amount of available funding under the applicable RSP sub-program.

Upon HPD's determination that there are a sufficient number of applicants on the waiting list and/or upon termination of the RSP sub-program, HPD shall close the waiting list and cease accepting new applications from the RSP partner agency.

4.2.5 Removal of Applicants from the Waiting List

Based on information provided by the applicant or the RSP partner agency, the applicant's status on the waiting list may change or they may be removed from the waiting list. For example, the applicant may provide information indicating that they no

longer meet one or more of the applicable preference or eligibility criteria. Removal of an applicant from the waiting list shall generally be made in consultation with the RSP partner.

Once placed on the RSP waiting list, applicants will be notified in writing if they are removed from the waiting list, determined ineligible or otherwise denied assistance. The written notice will include the date, the reason for removal or denial of assistance, and the process and timetable to request an informal review of the decision. An applicant's request for an informal review must be in writing and received by HPD within 30 calendar days from the date of the notice.

Applicants on the waiting list have the right to have the decision reviewed if they make the requests in a timely manner and provide evidence of their qualification for a local preference category. HPD may also deny admission to the waiting list due to an action or inaction by any family member, such as violent drug-related criminal activity.

In addition, applicants who do not respond to periodic written requests from HPD for updated information will be removed from the waiting list. Households will also be removed from the waiting list if letters from HPD are returned as undeliverable.

4.3 Selection of Applicants from the Waiting List

- Eligible applicants will be selected from the applicable RSP sub-program waiting list as funding is available.
- Applicants will be drawn in rank order from the applicable RSP sub-program waiting list, according to the date and time of application.

It is HPD's objective to ensure that families are placed in the proper order on the waiting list and selected from the waiting list for admission in accordance with the policies in this Administrative Plan. The method for selecting applicants described in this plan will leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in this plan.

5 ELIGIBILITY

Upon receipt of an application, HPD DTR determines eligibility for the program by verifying factors required by federal, state and/or local law, regulations and applicable program rules as described in appendices to this Plan. The eligibility criteria are summarized as follows:

- An applicant must be referred by an RSP partner agency;
- An applicant must be eligible for a Housing Assistance Payment (HAP) or Rental Assistance Payment (RAP) based on their income and the contract rent for the unit;
- At least one member of the applicant family must meet the documentation requirements of citizenship or eligible immigration status;
- An applicant must furnish Social Security numbers for all family members who have or are eligible to be issued Social Security numbers, and proof of eligible immigration status for every family member that declares eligible non-citizen immigration status; and
- A full-time student enrolled at an institution of higher education is not eligible if they are the Head of Household and:
 - Are under the age of 24;
 - Are not a veteran;
 - Are not married;
 - Do not have dependent children;
 - Are not residing with their parents in an RSP assisted household;
 - Are not a person with disabilities receiving RSP assistance as of November 30, 2005; and
 - Are not otherwise individually eligible, or have parents who, individually or jointly, are not eligible on the basis of income to receive assistance under Section 8 of the 1937 Act.

5.1 Reinstatement after Relinquishing Subsidy

A household that voluntarily relinquishes their RSP subsidy may request that the subsidy be reinstated within six months of the date of the relinquishment. HPD will review requests on a case by case basis and reserves the right to refuse reinstatement if households who were in violation of their lease or in the process of having their subsidy terminated at the time of relinquishment, or if a household in a project-based RSP sub-program relinquished, abandoned, or was evicted from the assisted unit. Requests for reinstatement after six months will not be considered.

5.2 Income

5.2.1 Income Limits at Admission

Household income at the time of initial eligibility determination and admission cannot exceed the income limits for the applicable RSP sub-program as defined in corresponding appendices. Annual income will be determined in accordance with 24 CFR Part 5 and includes all amounts, monetary or not, that go to or are on behalf of, the family head or spouse (even if temporarily absent) or to any other family member, or all amounts anticipated to be received from a source outside the family, and assisting the

family, during the 12-month period following admission or annual reexamination date. Families must provide verification of income any time prior to annual recertification as requested by HPD.

5.2.2 Adjustments to Income

5.2.2.1 Medical Expenses:

Deductions from income for medical expenses are allowed for all family members in households whose head or spouse is elderly or disabled. Families who claim medical expenses will be required to submit a written certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. If a family has medical expenses and no disability assistance expenses, the allowable medical expense is that portion of total medical expenses that exceeds three percent of annual income.

5.2.2.2 Childcare Expenses:

A childcare expense may be deducted from income only when it allows an adult family member to be employed, to actively seek employment, or to further one's education. Childcare expenses deducted to permit employment must be reasonable and may not exceed the amount of employment income that is included in annual income.

5.2.2.3 Disability Assistance Expenses:

Allowable disability assistance expenses include only those costs associated with attendant care or auxiliary apparatus (e.g., wheelchair, medical equipment, etc.) for a disabled member of the family, which allow an adult family member to be employed outside of the home. The amount deducted is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds three percent of gross income.

5.2.2.4 Income from Full-time Students:

HPD will not include in annual income the earnings in excess of \$480 for each full-time student 18 years and older. However, financial aid amounts exceeding tuition must be included in annual income with the exception of financial aid paid to a student over 23 with dependent children, or to a full-time student residing with their parents.

5.2.2.5 Reporting Minimal to Zero Income Policy

There is no minimum income requirement. However, staff must use good interviewing and investigative skills, including use of available third party verification systems when available, to determine whether an applicant actually has income but is not fully reporting it. For any non-elderly and non-disabled family reporting less than \$2,000 gross annually, the Head of Household may be required to complete a Statement of Income and Expenses documenting the family's regular living expenses (such as food and shelter) and the source of revenue for each expense. HPD also reserves the right to require submission of the Statement of Income and Expenses by the Head of Household if the family's income is deemed unreasonably low to cover basic needs based on family size. HPD may require non-elderly, non-disabled families claiming zero income to produce an IRS Tax Return Transcript or IRS Verification of Non-filing letter.

Failure to provide such information will be grounds for denial of assistance. HPD reserves the right to require non-elderly, non-disabled participants who claim zero

income, or an amount deemed unreasonable low to cover basic needs based on family size, to recertify at HPD's discretion.

If an applicant or participant claims annual gross income less than \$2,000, the household may not be required to attend a mandatory conference or submit tax transcripts or other documentation. Rather, HPD may require these on a case-by-case basis at its discretion. HPD may still require any household claiming less than \$2,000 in annual gross income to recertify at a frequency greater than annually at HPD's discretion.

5.2.2.6 Income of Temporarily Absent Family Members

Income of family members who are temporarily absent is counted except for full-time students who have documented their absence from the family. This includes the income (pay and allowances) of family members serving in the military except for hazardous duty pay when exposed to hostile fire.

5.2.2.7 Averaging Income

There are two ways to calculate income that is not received for a full year:

- Calculating projected annual income by annualizing current income (and subsequently conducting an interim reexamination if income changes); or
- Using information available to average anticipated income from all known sources when the sources are expected to change during the year.

HPD will generally use the method of annualizing income to determine income that is not received for a full year.

5.2.2.8 Rounding of Income and Deductions

Generally, HPD will round to the nearest whole dollar at the final calculation for each income/deduction source.

HPD will round as follows for the following income and deductions:

- **Social Security Income:** When income is verified through reliable third party sources, HPD will use the amount listed in those third party sources. In instances where the family disputes third party reported SS or SSI benefits or when reliable third party data is not available, HPD will use the full amount listed on the SSA Proof of Income Letter and round the final result of the calculation once annualized.
- **Other Income/Deduction Sources which include direction on rounding:** Where the income/deduction verification document has direction on rounding of income/deductions, HPD will follow the direction on the verification document to calculate annual income and/or deductions.
- **Income/Deduction Sources with NO direction on rounding:** If the income/benefit/deduction verification document does not include any direction concerning rounding, HPD will calculate income/benefit/deductions by annualizing the entire weekly, bi-weekly or monthly income/benefit/deduction. Once the annual amount is calculated, HPD will round to the nearest whole

dollar. For example, if the weekly income is \$300.10, annual income is \$300.10 x 52 = \$15,605.20 which is rounded to \$15,605.

5.2.2.9 Assets Disposed of for Less than Fair Market Value

At initial eligibility and annual recertification, HPD will determine whether an applicant or participant family has disposed of an asset for less than fair market value within the past two years. As permitted by regulation, HPD may adopt a minimum threshold to ignore small amounts that would not be counted toward income.

5.3 Citizenship/Eligible Immigration Status

In order to receive assistance in federally funded RSP sub-programs, at least one family member must be a U.S. citizen or eligible immigrant. Eligible immigrants are persons who are in one of the immigrant categories as specified in 24 CFR Part 5. For the citizenship/eligible immigration requirement, the status of each member of the family is considered individually before the family's status is defined. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request an informal review if they contest this determination.

Individuals who are neither citizens nor eligible immigrants may elect to contest HPD's determination of their status. For citizenship and eligible immigration status eligibility requirements only, the applicant is entitled to an informal hearing, instead of an informal review. HPD reserves the right to grant deferrals, up to the maximum allowable time under federal regulations, on any decisions related to citizenship and eligible immigration status.

5.4 Mandatory Social Security Numbers

Families are required to provide verification of Social Security numbers (SSNs) prior to admission for all family members who have or are eligible to be issued Social Security numbers. This requirement also applies to persons joining the family after admission to the program. Failure to furnish verification of Social Security numbers is grounds for denial or termination of assistance.

Children under six years old who have joined the household within the past six months will be granted 90 days to furnish SSN.

Applicants without Social Security cards may provide other acceptable government forms of documentation that identify the Social Security number including unemployment benefit letters and Social Security award letters.

5.5 Privacy Rights

Applicants and participants, including all adults in their households, are required to sign HPD's Authorization for the Release of Information. These documents incorporate a Privacy Notice and describe the conditions under which HPD will release family information which may include authorization for HPD to release and/or share information on the household with RSP partner agencies. HPD's policy regarding the release of information is in accordance with state and local laws, which may restrict the release of family information.

HPD's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location, which is only accessible by authorized staff. All files must be signed for when removed from the file storage area and returned promptly after use. Access to information stored electronically will be limited to HPD employees and RSP partner agencies with proper authorization.

HPD staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

5.6 Guests

A guest is defined as a person temporarily staying in a unit with the consent of a member of the RSP household. A guest may not reside in the unit for longer than 90 days cumulatively during a year without being considered a part of the household. To add a guest as a member of the household, the Head of Household must submit a written request to add a household member to HPD and receive approval from HPD.

Any guest who stays beyond 90 days and for whom HPD has not received a request to add a household member will be considered an unauthorized household member. HPD may ask the household to provide verification that the guest is not residing permanently in the subsidized unit.

5.7 Family Absence from the Unit

Absence from the unit is defined as the entire family not residing in the unit. One or more absent family members is not considered an "Absence from the Unit" unless a family's household composition consists of one, or a "sole" household member. Any absence for more than 30 consecutive days must be reported to HPD. The Head of Household must also provide notice to HPD upon return to the assisted unit. The family must be able to provide proper documentation for the reasons for the absence from a verifiable source including that the household is likely to return to the unit within 180 days. An HPD employee at the level of Director of higher (or their designee) must approve these requests.

After 90 consecutive days of absence by the entire family, assistance may be terminated unless absence is related to:

- Prolonged hospitalization or rehabilitation;
- Absence beyond the control of the family (i.e., documented death in the family, other family member illness);
- Incarceration or detention;
- Attendance at school for an otherwise eligible Head of Household;
- Family members serving in the armed forces; or
- Employment assignment where the assignment is temporary.

HPD may at its discretion consider other reasons a family may be absent from the assisted unit beyond 90 consecutive days. In no instance may the entire family be absent from the assisted address for a period of more than 180 total days per year.

After termination of subsidy as a result of the entire family's absence from the unit, under the following circumstances, subsidy may be re-instated to the family prospectively:

- Upon return to the assisted unit and execution of an Rental Assistance Contract (RAC) contract after documented continuous long-term stay in a nursing home or medical facility as a result of a disability for no longer than three years.

HPD reserves the right to approve prospective re-instatement of subsidy for households with a continuous long-term stay in a nursing home or medical facility as a result of a disability but where the family is not able to return to the previously assisted address.

Reinstatement of subsidy under either circumstance would only be considered if the household member is already released or has a scheduled release date from the medical facility or nursing home. Additionally, households must complete an annual recertification package to update income and family composition.

5.7.1 Household Member Absence from the Unit

The Head of Household is required to notify HPD of any family member absence from the unit that is more than 30 days. The Head of Household must also provide notice to HPD when the family member returns to the assisted unit. Any family member will be considered permanently absent from the unit if they are away for more than 90 consecutive days unless the absence is related to:

- Prolonged hospitalization or rehabilitation;
- Absence beyond the control of the family (i.e., documented death in the family, other family member illness);
- Incarceration or detention for up to 180 days;
- Prolonged full-time attendance at a school away from home;
 - The full-time student will continue to be considered a family member for more than 180 days unless the family declares that the student's absence is no longer temporary.
- Placement of children in foster care;
 - HPD will make best efforts to coordinate with, ACS, NYCHA, and HCR to maintain proper tracking of subsidies for foster children.
- Joint custody agreements;
- Service in the Armed Forces; or
- Employment assignment where the assignment is temporary.

HPD may at its discretion consider other reasons a household member may be absent from the assisted unit beyond 90 consecutive days. After HPD is informed of a family member's permanent absence that family member's income will not be counted in the household's income determination. Family members must be able to provide proper documentation of absence. In cases where the absent member is the Head of Household, HPD's family break-up policy will apply.

6 VERIFICATION

6.1 Third Party Verification

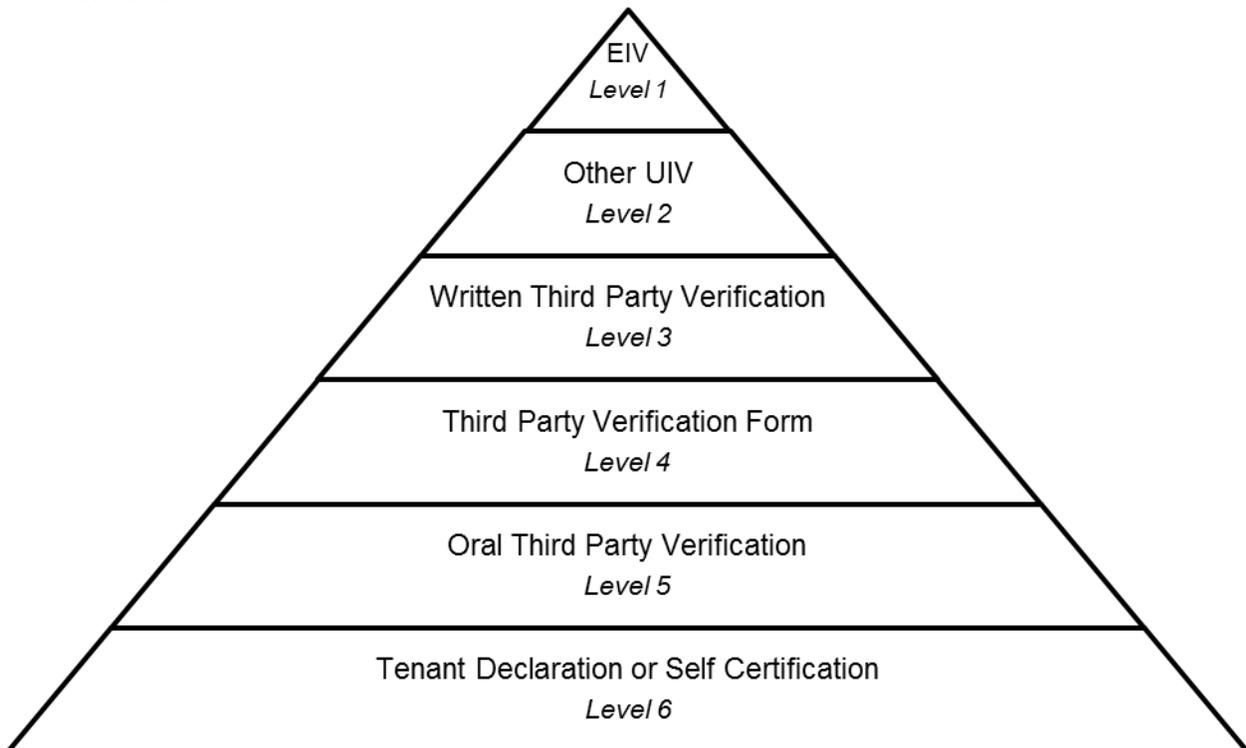
Before an applicant is issued an RSP coupon, and at subsequent recertifications, HPD must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. HPD will not pass on the cost of verification to the family.

The RSP partner agency may assist HPD in the collection of eligibility and other required information.

HPD will use any source available for verifying income, including inquiries with the Internal Revenue Service (IRS). Each client file contains a record of the documentation that has been provided. Verification of eligibility items may not be more than 60 days old from time of receipt by HPD to the coupon issuance date.

Any documents used for verification must be the original (HPD will keep photocopies and return the originals). The documents must not be damaged, altered or in any way illegible.

HPD uses HUD's verification hierarchy to verify tenant information. Third party verification is considered to be the most effective means of verifying information provided by the family, and there are several acceptable methods of obtaining third party verification. If it is not available, HPD will follow the hierarchy and attempt additional means.



Level 1: HUD Enterprise Income Verification (EIV) system

Used to verify Social Security income and identify differences in other types of reported income for program participants.

Level 2: Upfront Income Verification (UIV) using other non-HUD systems

If the relevant information is not available to verify on EIV, HPD staff should use other UIV tools to verify information.

HPD will also accept as third party verification computer printouts, computer matching, or digital images provided from other government agencies. Such sources include but are not limited to: the Social Security Administration, Veterans Administration, the Department of Housing and Urban Development (HUD), NYC Human Resource Administration, and the NYC Administration for Children's Services. HPD will either access these agency's systems directly or accept computer printouts from these agencies.

Level 3: Written Third Party Verification

Documents that originate from a third party source (e.g., pay stubs, W2s, bank statements, SSA benefit letters). Written third party documents are required to verify certain types of information, as listed in Section 6.3.

Level 4: Third Party Verification Form

Standardized form that HPD accepts from an outside source if higher levels are not available.

Level 5: Oral Third Party Verification

In the event that third party written verification cannot be obtained, staff will obtain oral verification via a telephone call or in-person meeting.

Level 6: Tenant Declaration or Self-Certification

In the event that third party oral verification cannot be obtained, HPD will either review submitted documents or accept a certification/self-declaration (notarized statement) from the applicant or participant of the reported information.

Certain items **cannot** be verified through self-certification:

- Social Security;
- Supplemental Security Income;
- Public Assistance;
- Unemployment Income;
- Veterans Benefits;
- Court-ordered child support;
- Government pensions;
- Unreimbursed medical expenses;
- Full-time student status;
- Disability status; or
- Workers' compensation benefit.

If third party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, HPD will use the third party verification.

Pursuant to HUD Public and Indian Housing Notice 2013-3, existing federally-funded RSP elderly and disabled households where 100% of household income is fixed income may declare their income and will not need third party verification of their fixed income. Instead, HPD will recalculate family income by applying the published Cost Of Living Adjustment (COLA as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics) to the previous year's household income. However, full verification will be required every three years. COLA increases may also be applied to the following when updated documentation is not available: Social Security and SSI payments, and Medicare premiums when Medicare recipients are eligible for the statutory hold harmless provision

Fixed income is defined as:

- Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, State, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

Additionally, all families are required to report all assets annually. All assets and fixed income sources must be verified through a third party every three years. In the interim years, HPD may accept existing participants' declaration of fixed income when a participant family is on 100% fixed income, and of the value of individual assets with a value of less than \$5,000 for existing participants, and HPD's reexamination documentation can serve as the declaration of the value of the assets and its resulting income. In these instances, HPD does not need to request supporting documentation (i.e., bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. This verification of asset methodology applies only to existing participants and only in interim years.

If an employer or asset manager charges a fee for third party verification of income, HPD can deem it "unavailable." In addition, HPD will follow HUD's guidance on exceptions to third party verification requirements, which states that it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal. HPD will determine the minimal impact threshold based on the cost of staff hours and the passbook rate, and will update the threshold periodically as necessary. At recertification, if a participant household claims total household assets below this threshold, HPD will send a request for Additional Information (AI) if third party verification is not provided, but if there is no response or an unacceptable response to the AI, HPD will accept tenant declaration of asset value rather than sending a pre-termination notice.

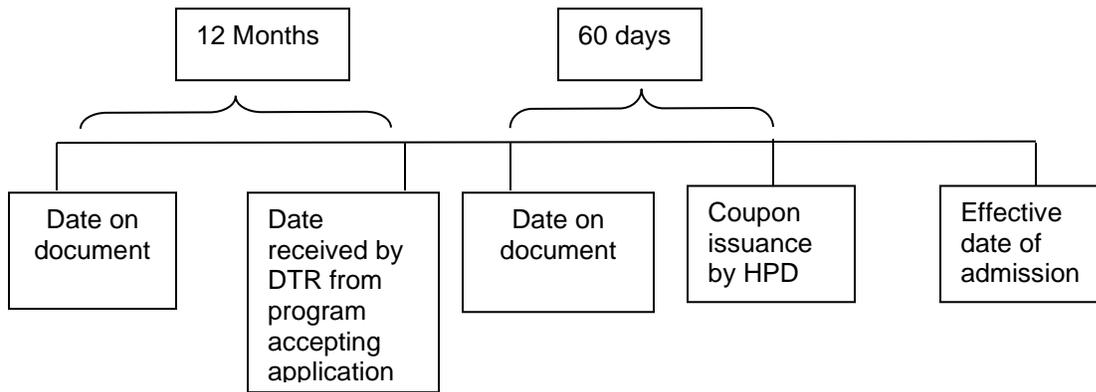
Finally, households with income that is fully excluded (food stamps, income from live in aides) may provide a declaration of that income as sufficient documentation. The declaration of the income in the application and reexamination documents will be acceptable. Income that is partially excluded (such as employment income for full-time students) will continue to be subject to verification requirements as described in Section 3 of this chapter unless requirement is waived by HPD.

HPD reserves the right to request additional documentation as necessary.

6.2 Age of Verification Documents

6.2.1 Age of Documents When They Are Received by HPD at Application

HPD's practice is to require that verification documents be dated within 12 months from the date they are submitted to HPD's DTR. Older documents may be used when and if they represent the most recent scheduled report, e.g., annual or semi-annual pension reports or other such items that are not provided more than once every two months.



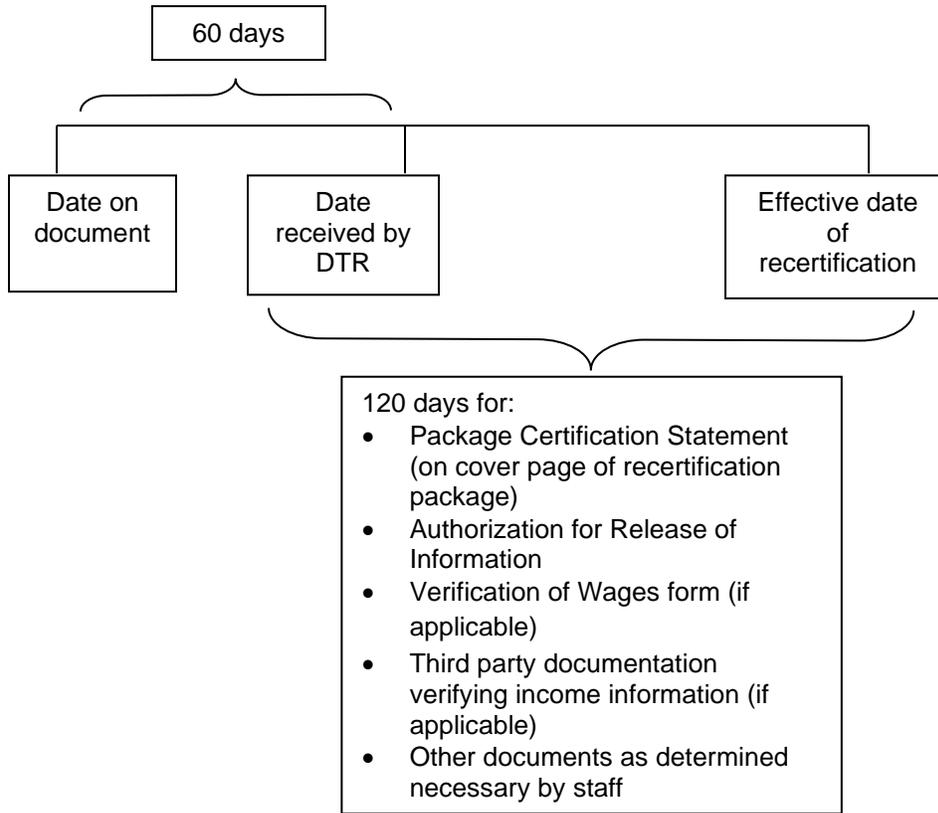
6.2.2 Admission Verification

The timing of verification is critical at admission. Income, asset, and expense verification documents are usable for calculation purposes for only 60 days from the time they are received by HPD until the RSP coupon is issued. Therefore, if more than 60 days has elapsed between the date of verification and the issuance of a coupon for initial admission, the item must be re-verified. Older documents may be used when and if they represent the most recent scheduled report (e.g., annual or semi-annual pension reports.)

6.2.3 Recertification

Certain verification documents are usable for calculation purposes for 120 days from the time they are received in the office until the effective date of the recertification. (see chart below for details). An HPD employee at the level of Director of higher (or their designee) may choose whether to request updates to other verification documents and forms after 120 days from the date they are received in the office on a case-by-case basis. The documents listed on the chart below must be updated after 120 days.

All verification documents must be dated within 60 days of the date they are provided to HPD. HPD will accept documents dated up to six months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity only provides semi-annual reports, HPD would accept the most recent report.



6.3 Verification Factors and Required Documentation

HPD verifies household composition, family income and assets, citizenship/eligible immigration status, factors allowing an RSP preference, and other items relating to program eligibility before an applicant is issued an RSP coupon. The table below (beginning on the next page) lists the factors to be verified along with acceptable forms of documentation within each category. HPD may request three years of IRS transcripts for tax returns and W-2 forms when investigating misrepresentation of family composition and/or income.

For applicants claiming eligible immigration status, verification of eligible immigration status occurs at the same time as verification of other factors of eligibility. Upon request, HPD may grant an extension, up to the maximum allowable time under federal regulations, for families to submit evidence of eligible immigrant status.

Household Composition – Legal Identity (required for each listed household member)	
Verification Factors	Form of Documentation
Name	A form of <u>government issued</u> identification such as a birth certificate or driver’s license. An employment identification card may also be accepted.
Age	Government issued documentation such as a birth certificate or driver’s license that includes a birth date
Marital Status	Certificate of marriage or license
Divorced	Copy of the certified divorce decree
Separated	Copy of a certified, court-ordered maintenance award (if legal) or a notarized statement declaring separation
Interdependent relationship (i.e., not married or registered as domestic partners with the City Clerk)	Joint bank accounts, purchases or loans; prior or current lease showing co-habitation; credit report showing residence and joint financial activity.
Guardian	Birth certificate that demonstrates relationship to adult in household. Guardianship requires documentation of court-ordered guardianship and/or verification from a social service or government agency.
Disability	Documentation includes but is not limited to: letters regarding qualification for or receipt of SSI payments or disability benefits from the responsible agency; proof of residence in an institution; documents showing hospitalization for a disability; or a letter from another knowledgeable professional such as a health or service professional or a social worker
Full-Time Student	Current school records documenting a student’s status as full time. This requirement applies only to household members 18 years and older.
Identity Theft (if claimed to explain EIV discrepancy)	Police report and either IRS identity theft affidavit or Social Security Administration report of identity theft.

Income	
Verification Factors	Form of Documentation
Employment Income	<p>HPD will check reliable third party sources including government databases where available to verify sources of income and benefits.</p> <p>Most recent paycheck stubs (consecutive: six for weekly pay, three for bi-weekly or semi-monthly pay, two for monthly pay); employer-generated salary report or letter stating current annual income, W-2 forms if the applicant has had the same employer for at least two years and increases can be accurately projected; earnings statements; and most recent federal income tax statements are required.</p> <p>Verification forms for employment income must specify: Beginning date of employment; amount of pay; frequency of pay; effective date of last pay increase; and probability and effective date of any increase during the next 12 months.</p>
Self-employment, Gratuities, Seasonal or Sporadic Income	Form 1099, 1040/1040A or Schedule C of 1040 in U.S. Internal Revenue Service (IRS) tax transcript format showing amount earned and employment period. Additionally, signed self-certifications, IRS letter of non-filing or full income tax returns may be required.
Business Income	IRS Form 1040 with schedules C, E or F; financial statements; any loan application or credit report listing income derived from business during the preceding 12 months.
Rental Income	Copies of recent bills, checks or leases to verify income; tax assessment information; insurance premiums; receipts for maintenance and utility expenses; bank statements; or IRS Form 1040 Schedule E.
Dividend and Interest Income	<p>Copies of current bank statements, bank passbooks, certificates of deposit showing current rate of interest; copies of IRS form 1099 from the financial institution and verification of projected income for the next 12 months; broker's quarterly statements showing value of stocks, bonds and earnings credited to the applicant; tax forms to indicate earned income tax credits.</p> <p>Households must declare and provide verification of assets and the resulting income in HPD's application packages. Existing participants with assets valued at less than \$5,000 may declare the value of their assets. HPD reserves the right to request verification. Applicants must provide verification documents for all assets declared on their application.</p>
Interest from Sale of Real Property	Amortization schedule with amount of interest earned in next 12 months
Unemployment Compensation	Benefit letter signed by administering agency; copies of checks or records from agency stating payments, dates, and pay period and benefit schedule

Income	
Verification Factors	Form of Documentation
Social Security and Supplemental Security Income (SSI)	<p>Printout from government database where available, or the annual award letter signed by administrating agency.</p> <p>For tenants receiving SSI or SS that are being recertified early in the year before receiving their benefit letters, HPD will apply the published Cost Of Living Adjustment to the prior year's benefit when determining anticipated income from these sources.</p> <p>For elderly or disabled households where 100% of household income is fixed income such as SS or SSI, HPD will apply any published cost of living adjustments to the previously verified income amount. Additional third-party verification will only be required from the household once every three years, when all fixed income must be verified.</p>
Public Assistance Benefits	<p>Original benefit letter signed by administrating agency; copies of checks or records from agency stating payments, dates, pay period and benefit schedule; copies of validated bank deposit slips with identification by bank; copy of Welfare Management System (WMS) report; if applicable, maximum shelter allowance schedule with ratable reduction schedule provided by applicant.</p>
Recurring Contributions or Gifts	<p>Copies of checks received by the applicant or a self-certification that contains the following information: name of the person providing the gifts; the value of the gifts; the regularity (dates) of the gifts; and the purpose of the gifts.</p>
Family Assets	<p>Passbooks, checking or savings account statements, certificates of deposit, stock or bond documents or other financial statements; documents related to retirement funds; opinions from attorneys, stockbrokers, bankers and real estate agents verifying penalties and reasonable costs incurred to convert assets to cash.</p> <p>Existing participants with a total asset of \$5,000 or less may provide a self-certification indicating asset value and income at annual recertification. HPD reserves the right to request additional documentation. Every three years, HPD will require third party verification of all assets, including those valued at \$5,000 or below. The minimal impact policy as described in Section 6.1 will apply.</p> <p>All documents verifying value of asset and expenses associated with converting the asset to cash must be submitted to HPD.</p>
Disability Income/Workers Compensation	<p>Benefit letter from administrating agency indicating pay rate and period over which payments will be made; copies of checks or records from agency stating payments, dates, pay period and duration of benefit term; copies of validated bank deposit slips with identification by the bank.</p>

Income	
Pension	<p>Benefit letter from administrating agency; copies of checks or records from agency stating payments, dates, pay period and duration of benefit term; copies of validated bank deposit slips with identification by the bank; most recent quarterly pension account statement.</p> <p>For elderly or disabled households where 100% of household income is fixed income such as a pension, HPD will apply any published cost of living adjustments to the previously verified income amount. Additional third-party verification will only be required from the household once every three years, when all fixed income must be verified.</p>
Alimony and/or Child Support	<p>Copies of recent checks, recording the date, amount and check number of alimony or child support payment; a court ordered support schedule; recent letters from the court.</p> <p>If payments are irregular, the family must provide:</p> <ul style="list-style-type: none"> • A copy of the separation or settlement agreement or divorce decree stating the amount and type of support and payment schedules; • A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement; • A notarized affidavit from the award recipient indicating the amount received; • A public assistance notice of action showing amounts received by the human resource/social service agency for child support.
Education Scholarships	<p>Award letters showing the scholarship's purpose, amount, and dates of the awards.</p>
Real Property	<p>Copies of real estate tax statements; copies of real estate closing documents that indicate distribution of sales proceeds and settlement costs; mortgage statements, a copy of a deed, utility bills for rental property and any other documents to establish the current value of any property.</p> <p>In a situation where an asset is owned by more than one person, only the percentage owned by the participant will be counted as the asset.</p> <p>In a situation where an applicant or participant has any ownership interest in property, even if in name only, the property will be calculated as owned by the participant or applicant. Documentation of change in ownership will be required to remove the property from calculation.</p>
Trusts	<p>In the event that a participant is owner of a trust, but does not receive income from that trust, proper documentation must be submitted to HPD. A "trust instrument" that explains that the participant does not, or cannot, receive income from the trust, must be submitted.</p>

Allowable Deductions from Income	
Verification Factors	Form of Documentation
Medical Expenses	Acceptable forms of documentation of medical expenses include but are not limited to: copies of cancelled checks that verify payments on outstanding medical bills that will continue for the next 12 months; income tax forms that itemize medical expenses that are expected to continue over the next 12 months; copies of cancelled checks that verify payments to a live-in aide; receipts or ticket stubs that verify transportation expenses directly related to medical care; written verification by a doctor, hospital or clinic personnel of the anticipated medical costs to be incurred by the family and regular payments due on medical bills; written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
Childcare Expenses	Verification of childcare expenses must include the childcare provider's name, address and telephone number, the names of the children cared for, the number of hours the childcare occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. HPD will require as documentation copies of receipts or cancelled checks indicating childcare payments. If the childcare provider is an individual, that person must provide a notarized statement of the amount they are charging the family for their services.
Assistance to Persons with Disabilities	Written certification from a reliable professional that the disabled person requires the services of an attendant and/or the use of any auxiliary apparatus permitting him/her to be employed or function with sufficient independence thus enabling another family member to be employed; family's certification as to how much if any amount of reimbursement for any of the expenses of disability assistance they receive; and the following documentation: Attendant Care: <ul style="list-style-type: none"> • Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided; and • Certification of family and attendant and/or copies of cancelled checks family used to make payments. Auxiliary Apparatus: <ul style="list-style-type: none"> • Receipts for purchase or proof of monthly payments and maintenance expenses for auxiliary apparatus; and • In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

Citizenship or Eligible Immigration Status	
Verification Factors	Form of Documentation
Citizens or Nationals of the United States	A U.S. birth certificate; U.S. passport; resident alien/registration card; Valid, un-expired U.S. Passport, Certificate of Citizenship, Certificate of Naturalization, U.S. Citizen Identification Card. HPD reserves the right to rely on Declaration of Citizenship.
Eligible Immigrants Aged 62 or over	A signed declaration of eligible immigration status and proof of age.
Non-Citizens with Eligible Immigration Status	<p>A signed declaration of status and verification consent form along with one or more of the following original immigration documents:</p> <ul style="list-style-type: none"> • Resident Alien Card (I-551); • Alien Registration Receipt Card (I-151); • Arrival-Departure Record (I-94); • Temporary Resident Card (I-688); • Employment Authorization Document (I-766); • Receipt issued by the United States Citizen Immigration Services (USCIS) for issuance of replacement of any of the above documents that shows individual's entitlement has been verified; or • Other acceptable evidence: if other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register. <p>HPD will copy the documents and return them to the family. HPD will verify the status through the USCIS SAVE system. If this primary verification fails to verify the status, HPD will request within 10 days that the USCIS conduct a manual search.</p>
Non-Citizen Students on Student Visas	<p>Student visa</p> <p>Note: Non-citizen students on student visas are ineligible family members even though they are in the country lawfully.</p>

6.3.1 Authorization

Signed Alternative 9886 form or HPD's Authorization for the Release of Information authorizes HPD to obtain and verify income information from various sources, including current and former employers, state agencies, and the Social Security Administration. HPD may use income verification information at new admission, interim recertification, annual recertification, or at any other time it deems appropriate. Information obtained through third party verification is protected under the U.S. Privacy Act.

6.3.2 Underreporting Income and Assets

Cases of suspected fraud will be referred to the Program and Integrity Compliance (PIC) Unit. Serious cases (those involving verified discrepancies exceeding \$5,000) may be referred to the New York City Department of Investigation Inspector General for further investigation. In cases where HPD is able to verify unreported income (including that generated from unreported assets), HPD will take actions it deems appropriate in accordance with HPDs repayment agreement guidelines, e.g., adjusting future RSP subsidy payments, requiring a Repayment Agreement, or termination (see Sections 17.2

and 17.3 for more information). These will be determined by DTR staff at the level of Coordinator or above. In such cases, the designated staff reserves the right to take into consideration the following before deciding on an appropriate action:

- Whether or not the unreported income is excludable;
- Whether or not the difference in income impacts the RAC payment amount, and by how much.

6.4 Enterprise Income Verification

HPD uses the Enterprise Income Verification (EIV) system to verify income reported by tenants in federally funded assisted housing programs. The EIV system compares tenant income data obtained from various sources, including tenant-supplied information recorded on Form HUD-50058, wage information from the National Directory of New Hires, and Social Security and Supplemental Security Income from the Social Security Administration. The HUD Office of Public and Indian Housing (PIH) is responsible for administering and maintaining the EIV system.

At admission and when adding a member to the household, HPD will also use EIV to review reports related to:

- **Existing tenants** - To determine if a tenant is receiving subsidy in another housing program. Federal regulations prohibit individuals from receiving rental assistance if they are receiving another housing subsidy (24 CFR 982.551). See also Family Obligations section (7.1.2).
- **Prior debts owed to another PHA** - To determine if a tenant owes money to another PHA and is therefore ineligible for assistance from HPD. If applicants owe HPD or another PHA any debt, they will be denied assistance. Those with repayment agreements will be denied until any debt owed is fully satisfied.
- **Adverse Termination from another PHA** - To determine if a tenant was terminated from another housing program for a reason that would make them ineligible to receive assistance from HPD. Adverse termination reasons of Criminal Activity – Drugs (see Drug Related Criminal Activity, section 15.5.2), Criminal Activity – Sex Offender and Failure to Report Income are examples of reasons that may lead to denial of subsidy.

At the end of participation of an assisted family, HPD will use EIV to enter the reason for termination of subsidy, unless the tenant voluntarily gave up the subsidy or was no longer experiencing rent hardship (tenant share equals contract rent).

7 SUBSIDY STANDARDS AND COUPON ISSUANCE

7.1 Briefings and Family Obligations

7.1.1 Briefings

Upon selection of the family from the waiting list, HPD will conduct a briefing with the Head of Household. Individuals with a disability may have a proxy attend the briefing session on their behalf if proper documentation is provided indicating their inability to attend and naming the proxy. If warranted, HPD may also conduct individual briefings for families with a disabled Head of Household or spouse at their home upon request by the family, and if HPD staff determines it is required for reasonable accommodation.

The briefing will cover the following general topics:

- How the RSP program works;
- Family and owner responsibilities;
- Where the family can lease a unit; and
- Opportunities for expanded housing choices outside areas of poverty concentration.

An interpreter, or fluent HPD employee, will attend each briefing to assist Spanish-only speaking clients. HPD will take affirmative steps to make interpreters available when briefing client groups with other foreign language requirements.

All applicants attending a briefing will receive a packet that includes a number of documents that further explain RSP program requirements.

HPD also uses the briefing session to determine final eligibility in cases where an applicant is missing a required piece or pieces of information. Applicants who miss more than one briefing may have their application rejected and may be required to re-apply for admission through the RSP partner agency. HPD will not issue an RSP coupon to a family unless the household representative has attended the briefing and signed the coupon.

7.1.2 Family Obligations

The following are obligations of participants under the program. Violation of one or more of these obligations is grounds for denial or termination of assistance.

The family must:

- Supply any information that HPD or the applicable RSP partner agency determines is necessary in the administration of the program. This includes any requested certification, release or other documentation. All information must be true and complete;
- Supply any information regarding family income and composition requested by HPD for use in any annual or interim recertification;
- Disclose and verify Social Security Numbers and sign and submit consent forms for obtaining information in accordance with regulations;

- Allow HPD to inspect the unit at reasonable times and after reasonable notice;
- Be held responsible for an HQS breach caused by the family;
- Receive written approval to move from HPD and notify the owner before the family moves out of the unit, or terminates the lease on notice to the owner;
- Promptly notify HPD of any planned absences from the unit greater than 30 days;
- Promptly give HPD a copy of any owner eviction notice;
- Use the assisted unit for residence by the family and the unit must be the family's only residence;
- Promptly inform HPD of any changes in family composition, including the birth, adoption or court-awarded custody of a child, or the removal of any family member from the unit. The composition of the family residing in the unit must be approved by HPD; and

The family must *not*:

- Commit any serious or repeated violation of the lease;
- Assign the lease or transfer the unit;
- Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space);
- Receive another housing subsidy for the same unit or for a different unit, under any duplicative (as determined by HPD) federal, state or local housing assistance program;
- Engage in profit making activities in the unit, unless such activities are legal *and* incidental to primary use of the unit for residence by members of the family; or
- Engage in drug-related criminal activity, violent criminal activity, other criminal activity, or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

7.2 Issuance of Coupons and Subsidy Standards

7.2.1 Coupon Issuance

When funding is available, and after the family has been certified eligible and briefed on program requirements, HPD issues an RSP coupon to the family. The coupon represents a contractual agreement between HPD and the family specifying the rights and responsibilities of each party, and is the family's authorization to search for an eligible unit. It also describes the program and procedures for HPD approval of a unit selected by the family, and specifies the size of unit the family is eligible for. An RSP coupon does not constitute admission to the program, and a coupon-holder is not considered a program participant until such time as a lease and an RSP Rental Assistance Contract (RAC) become effective.

7.2.2 Coupon Term, Suspensions and Extensions

The initial RSP coupon term will be 120 calendar days. HPD may grant extensions in documented special circumstances, including cases where doing so will be in furtherance of goals associated with HPD housing development programs or other HPD priorities. HPD will also grant extensions if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. An HPD employee at the level of Deputy Director or higher (or their designee) must approve these extensions.

HPD will suspend the coupon term (i.e., “stop the clock”) if the applicant has provided a Request for Unit Approval (RFUA) until the time that HPD approves or denies the request. If the lease for which the RFUA was submitted is not approved or executed (a “delink”), the applicant’s search time will be extended for a period of time equal to the number of days elapsed between the submission of the RFUA and the denial of the request.

If the coupon has expired, the family will be required to reapply through the RSP partner agency and will be placed on the waiting list only if HPD is accepting applications and the family is still eligible. HPD is not required to notify a family that their RSP coupon has expired.

For information on coupon terms when moving, see “Moving with Continued Assistance” chapter.

7.2.3 Subsidy Standards

The subsidy standard is the criteria established for determining the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. Generally, HPD’s subsidy standards provide for the smallest number of bedrooms needed to house a family without overcrowding. A unit is not overcrowded as long as it has at least one bedroom or living/sleeping room for each two persons. Families may choose an apartment smaller than their coupon size, provided the unit is not overcrowded. However, subsidy standards are based on the smaller of the actual unit size or the size listed on the coupon.

The unit size on the coupon remains the same as long as the family composition and HPD’s subsidy standards remain the same, regardless of the actual unit size rented. Families that exceed two people per living/sleeping room in a household are overcrowded and will be required to reduce the household size, or move to an appropriately sized unit.

7.2.4 Determining Family Unit (Coupon) Size

The unit size on the coupon will be determined solely by the number of people in the household. HPD does not determine who shares a bedroom/sleeping room. The table below establishes the occupancy standard for families.

Size of Family	Family Coupon Size
1 or 2	1
3 or 4	2
5 or 6	3
7 or 8	4
9 or 10	5
11 or 12	6

Within these parameters, the following guidelines will apply:

- Any single live-in aide approved by HPD to reside in the unit will be counted as a household member for the purpose of determining the appropriate unit size;
- Children specified in joint custody agreements will be considered family members if the agreement specifies that they live with the parent at least 183 days a year;
- Foster children will be included in determining unit size only if they will be in the unit for more than 180 days (six months) a year;
- A child who is temporarily away from home (for less than 180 consecutive days) due to placement in foster care or another non-permanent situation may be considered a member of the family and included in determining coupon size;
- In the case of documented pregnancy by a member of the household, HPD will consider the unborn child as a household member for the purpose of determining the appropriate size unit; and
- Space may be provided for a family member who is away at school but who lives with the family during school recesses.

A reduction to the subsidy standard due to change in family composition or as a result of policy changes will be effective immediately. The payment standard associated with the unit will be impacted at the anniversary of the next annual certification after the change. During periods of funding shortfall, HPD reserves the right to implement subsidy standard changes with at least 30 days' notice to affected families. Changes to subsidy standard due to change in family composition or as a result of policy changes will be effective at the next annual certification. During periods of funding shortfall, for federally assisted programs, should HUD provide a waiver, subsidy standard changes will be implemented with at least 30 days' notice to affected families. Changes to HPD's subsidy standards will apply to all households assisted under RSP.

7.2.5 Definitions of Family and Household Members

Under the RSP program, a “household” may include additional non-family members such as live-in aides, foster children and foster adults, provided that HPD has approved these additional non-family members.

Family	A single person or a group of two or more persons with or without children who maintain an interdependent relationship (see definition of interdependence following this table) and whose income and resources are available to meet the family’s needs. Families must declare or document as necessary a stable family relationship or have a history as a family unit. Family includes the above regardless of actual or perceived sexual orientation, gender identity, or marital status. Families may also include live-in aides under the provisions described below.
Family Members	A husband, wife, son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, brother, sister, nephew, niece, uncle, aunt, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law or any other family member or person for whom the Head of Household can prove legal guardianship or a relationship based on dependency, blood, marriage or domestic partnership.
Head of Household	The Head of Household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State and local law. Emancipated minors who qualify under State law will be recognized as Head of Household.
Spouse of Head of Household	Spouse means the husband or wife of the Head of Household. The definition includes the partner in a marriage or domestic partnership recognized within or outside of this jurisdiction. The term “spouse” does not apply to boyfriends, girlfriends, significant others, or co-heads.
Co-Head	A co-head is an individual in the household who is equally responsible for the lease with the Head of Household. A family may have a spouse or a co-head, but not both. A co-head never qualifies as a dependent.
Domestic Partner of Head of Household	Domestic Partner means the same or opposite sex partner of the Head of Household. To document a domestic partnership, couples must provide an original Certificate of Domestic Partnership issued by the New York City Office of the City Clerk. Domestic partnerships, civil unions, and same-sex marriages legally entered into in other cities, states or countries will be honored if original valid legal documentation is presented at time of application.
Elderly Family	A family whose head, co-head, spouse, or sole member is at least 62 years of age. It may include two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.
Disabled Family	A family whose head, co-head, spouse or sole member is a person with disabilities; two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides (see definition of disability below).

Displaced Family	A family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.
Remaining Member	<p>A family member of an assisted tenant family who remains in the unit when other members of the family have left the unit. To be considered the remaining family member of the family, the person must have been a member of the family in a current or prior certification of the family composition during the family’s participation in the program, and previously approved by HPD to live in the unit. A live-in aide is not a member of the family and will not be considered a remaining member.</p> <p>In order for a minor child to continue to receive assistance as a remaining family member, the child must have been awarded emancipated minor status by a court of law.</p>

7.2.6 Verifying Interdependence

Although no single factor will be determinative, evidence that HPD will consider in determining whether such emotional and financial commitment and interdependence exists may include, without limitation, the factors listed below:

- Longevity of the relationship
- Sharing of or relying upon each other for payment of household or family expenses, and/or other common necessities of life;
- Intermingling of finances as evidenced by, among other things, joint ownership of bank accounts, personal and real property, credit cards, loan obligations, sharing a household budget for purposes of receiving government benefits;
- Engaging in family type activities by jointly attending family functions, holidays and celebrations, social and recreational activities, etc.;
- Formalizing of legal obligations, intentions and responsibilities to each other;
- Regularly performing family functions, such as caring for each other or each other’s extended family members, and/or relying upon each other for daily family services;
- Engaging in other patterns of behavior or other action, which evidences the intention of creating a long-term, emotionally committed relationship; and
- Filing for a domestic partner registration certificate under New York City law.

7.2.7 Disability

In accordance with 42 U.S.C. Section 423, a disabled person is defined as a person with a physical, mental or emotional impairment that: is expected to be of long-term and indefinite duration; substantially impedes their ability to live independently; is of such a nature that the ability to live independently could be improved by more suitable housing conditions; and limits major life activities.

Disability claims must be verified by a knowledgeable professional source that the person meets these criteria (see Chapter 6: Verification).

7.2.8 Family Break-Up

Participant families who separate while being assisted under RSP will be assessed on a case-by-case basis to determine which family members remain assisted under the program. The HPD policy will be that:

- The head, co-head or remaining family member of the household who has full legal custody of any minor children will retain the use of the RSP coupon.
- In cases where the head and co-Head of Household have a joint custody arrangement for minor children, the Head of Household in which the minor children reside at least 51% of the time will retain use of the RSP coupon unless mutually-agreed upon in writing otherwise by the parents or decreed by a court of law.
- If a separation is the result of a divorce or separation under a settlement or judicial decree, HPD will follow any court determination of which family members keep the RSP coupon.
- In cases where the Head of Household dies, leaving minor children, an adult that has custody of the children is eligible to become the new Head of Household and will be subject to all HPD eligibility and admission requirements.
- In cases where there are two adult co-heads of household with no minor children, the original Head of Household will retain the use of the RSP coupon.
- In cases where a non-related adult has been added to the household, the original Head of Household will retain use of the RSP coupon.
- In the event that the Head of Household moves out of the assisted unit or dies, a remaining adult household member (without children) may retain use of the RSP coupon if that adult has been part of the household for at least six months, is in compliance with all program rules and regulations and meets all other program eligibility and continued occupancy requirements.
- In the event of death of a sole household member, the RSP coupon cannot be transferred.
- Exceptions to the “remaining family member” requirement will be reviewed by the authorized staff member on a case-by-case basis.
- In order for a minor to continue to receive RSP assistance as a remaining family member, the court has to have awarded emancipated minor status to the minor or HPD has to verify that Social Services and or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period of time.
- If exceptional circumstances exist concerning the remaining member of a tenant family, a discretionary administrative determination may be made by the authorized staff member on a case-by-case basis.

In addition to the above, HPD will consider the role of domestic violence in the family breakup and follow Violence Against Women Act (VAWA) policy when determining who will retain the subsidy in federally funded programs.

7.2.9 Joint/Partial Custody of a Child or Children at Application

Children who are 17 years old or under who are subject to a joint custody agreement but live in the unit at least 51% of the time (defined as 183 days of the year whether or not the days are consecutive) will be considered family members. Applicants will be required

to provide legal custody agreements at the time of application to prove the residency status of the child(ren). If a legal agreement does not exist, the applicant will be required to prove custody through other forms of documentation such as:

- Notarized statements from both parents;
- Letters from social service providers that state that child(ren) reside(s) with the Head of Household 51% of the time;

When both parents are on the RSP waiting list separately and both try to claim the child as a dependent, the parent whose tax return statement claims the child as a dependent will be able to list the child as a dependent on their coupon.

7.2.10 Joint/Partial Custody of a Child or Children After Admission

After admission to the program, additions to family composition for children 17 years old or younger must have legal custody agreements to prove residency status to add the children to the household. Children will be considered members of the household only if there is a joint or partial custody agreement that indicates residence in the assisted unit at least 51% of the time (defined as 183 days of the year whether or not the days are consecutive).

Affected participants are required to notify HPD at the time of family composition change and must provide legal custody agreements at the time legal documents are finalized.

In cases of divorce or separation when both parents are seeking to maintain the RSP coupon and both try to claim the child as a dependent, the designated Head of Household will maintain the coupon until legal custody documents establish residence. If a legal agreement does not exist, residence of minor children may be established through other forms of documentation such as:

- Mutual agreement (through notarized statement) by both parents or legal guardians; or
- Statement of a social service provider or government agency (through notarized statement from at least one parent and letters from social service providers or a government agency) that child(ren) reside(s) with the Head of Household more than 50% of the time (defined as 183 days in a year with 365 days and 184 days in a year with 366 days).

HPD reserves the right to require documentation of legal custody.

7.2.11 Live-in Aides and Attendants

A family may include a live-in aide provided that the aide is determined by HPD to be:

- Essential to the care and well-being of an elderly person, a near-elderly person, or a person with disabilities;
- Not be obligated for the support of the person(s); and
- Would not be living in the unit except to provide care for the person(s). The definition of live-in aide applies to a specific person. Written verification of such (including the hours the care needs to be provided) is required from a reliable, knowledgeable professional such as a doctor, or licensed social worker. Relatives are not automatically excluded from being live-in aides, but they must meet all the elements in the live-in aide description described above.

A live-in aide is treated differently than family members insofar as:

- Income of the live-in aide is not counted in determining eligibility or level of benefits;
- Live-in aides are not subject to non-citizen rule requirements; and
- Live-in aides may not be considered as a remaining member of the family.

HPD will approve a live-in aide as a reasonable accommodation to make the program accessible to and usable by family members with disabilities. Approval of a live-in aide for reasonable accommodation will be in accordance with 24 CFR Part 8.

7.2.12 Exceptions to Subsidy Standards

HPD may grant an exception to these subsidy standards if the exception is justified by the health or disability of family members. An HPD employee at the level of Director or higher (or their designee) must grant all such exceptions to this policy. All requests for exceptions must be made in writing and be submitted to HPD. All such requests must be accompanied with an HPD Reasonable Accommodation form completed by a licensed medical professional. HPD reserves the right to request that Reasonable Accommodation requests are resubmitted annually. HPD also reserves the right to accept other medical documentation from a licensed medical professional that establishes a clear connection between the exception being requested and the condition meriting accommodation.

HPD will automatically increase a bedroom size on a coupon only in cases where additions of household members are due to birth, adoption, marriage, domestic partnership, court-awarded custody, or the presence of a live-in aide. Additions under other circumstances must be approved in advance by HPD.

Tenant-based RSP applicants or participants may select a different size dwelling than that listed on the coupon as long as the maximum subsidy is based on the lesser of the payment standard for the unit size issued or the contract rent for the unit size selected.

The utility allowance used to calculate gross rent is based on the unit size of the unit selected by the family.

8 HOUSING QUALITY STANDARDS

HPD enforces HUD's Housing Quality Standards (HQS) to ensure that each unit occupied by a subsidized household is "decent, safe and sanitary." To meet this requirement, HPD conducts an HQS inspection prior to providing assistance on behalf of a participant and periodically throughout the term of assisted tenancy as required under the Housing Choice Voucher program regulations. An HPD inspector trained in HQS will conduct inspections except that where HCV regulations allow for substitution of an inspection completed by a qualified third party using HQS standards. Inspected units will receive a designation of "pass," or "fail."

8.1 Physical Standards

In order to pass an HQS inspection, a unit must meet HPD standards on the following components:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Lead-based paint;
- Access;
- Site and neighborhood;
- Sanitary condition; and
- Smoke and Carbon Monoxide detectors.

8.2 Bedrooms and Apartment Layout

At a minimum, a dwelling unit must have a living room, a kitchen area, and a bathroom. (Single Room Occupancy units are exempt from this requirement). A studio apartment is considered a living/sleeping room. The unit must also have at least one living/sleeping room for every two household members. Single Room Occupancy units may only house one person in the living/sleeping room. Each living/sleeping room must also have:

- Two working dual outlets; or one working dual outlet and one working light fixture; and
- A window if the room is used primarily for sleeping.

Payment standards are based on the legal bedroom size, i.e., sleeping quarters that are not technically bedrooms do not count as bedrooms determining payment standard.

8.3 Kitchen

A kitchen area must be used primarily for the preparation and storage of food. It must have the following items:

- Oven and a stove with top burners (Single Room Occupancy units excepted). All burners must be working and all knobs to turn the burners on and off must be present. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and if microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building in order for such substitutions to be approved.
- A refrigerator of appropriate size based on the number of household members. For example, countertop or compact type refrigerators are insufficient for a family of four. The refrigerator must also maintain a temperature low enough to keep food from spoiling, and the freezer space must be present and in working condition;
- Storage: the kitchen must have space for storage, preparation and serving of food; and
- Kitchen sink: a kitchen sink must provide running hot and cold water from the faucet and have a properly working drain.

8.4 Bathroom

The bathroom must be contained within the apartment and have the following items:

- An enclosed and operating toilet facility;
- A shower or tub with running hot and cold water;
- A permanently installed washbasin (bathroom sink);
- One permanent light fixture in working condition; and
- A window or alternative adequate ventilation.

8.5 Other Rooms Used for Living

Other rooms used for living are defined broadly, and include bedrooms, dining room, entrance hall, and corridor. If any of these areas are used primarily for sleeping, they must have a window; two working outlets; or one working outlet plus one working permanent light fixture.

8.6 Specific Apartment Items

8.6.1 Windows

The windows should not show any signs of severe deterioration. The presence of any of the conditions listed below requires a failure rating. Severe deterioration means:

- Missing or broken window panes;
- Dangerously loose, cracked window panes (which present a cutting hazard);
- Windows that will not close;
- Windows that, when closed, do not form a reasonably tight seal and allow the outside elements (wind, snow, or rain) to enter; or
- Broken window balance.

8.6.2 Doors

All exterior doors must be lockable, have no holes, and have all trim intact. All interior doors must have handles, contain no holes, and have all trim intact.

8.6.3 Walls and Ceilings

Walls and ceilings may not show any signs of being structurally unsound or hazardous. The presence of any condition below is an automatic HQS failure. Unsound or hazardous means:

- Severe bulging, buckling, or leaning; or
- Large cracks or holes allowing drafts or rodents to enter; or
- Loose sections of plaster in danger of falling; or
- Presence of severe mold.

8.6.4 Floors

In order to pass inspection, floors must not show any signs of being structurally unsound or hazardous. The presence of any condition below will result in an automatic HQS failure:

- Severe buckling or major movements under walking stress;
- Large sections of damaged or missing flooring (two square feet or more where floor beams are visible); or
- Large cracks or holes allowing drafts or rodents to enter.

8.6.5 Electrical

A unit must be free of electrical hazards and meet the following criteria:

- Kitchen - One working electric outlet and one permanently installed light fixture.
- Bathroom - One permanent light fixture. An outlet may be present but is not required. An outlet cannot be substituted for an overhead light fixture.
- Living Room and Bedroom - Two operating electrical dual outlets, or one operating dual outlet and one permanent overhead or wall mounted light fixture.

Electrical hazards that cause an automatic HQS failure include the following:

- Exposed, un-insulated, frayed wires;
- Missing switch covers;
- Overloaded circuits;
- Improper wire connections to outlets;
- Light fixtures hanging from electric wire with no other firm support; and
- Illegal wiring from building source to the tenant's unit.

8.6.6 Heating

The unit must have a direct or indirect heat source as defined below:

- Direct: Each room used for living must have a radiator, hot air register or a facility for baseboard heat.

- Indirect: If there is no heat source present in the room; heat must be able to enter the room from an adjacent heated room.

8.6.7 Plumbing

- The kitchen and bathroom must have hot and cold running water;
- The apartment should be free from major plumbing leaks; and
- The plumbing must be free from major corrosion that results in serious or persistent levels of rust in the water.

8.6.8 Access

- The apartment must have its own entrance;
- Steps of six or more to any entrance in the building must also have a handrail at least three feet high.
- Doors and windows that are accessible from the outside must have legal, working locks;
- Double cylinder locks are considered an automatic HQS failure and a hazardous condition. Apartments or buildings with double cylinder locks are automatic failures; and
- Buildings with intercoms located between the front building entrance door (that is locked) and the vestibule door are considered an automatic HQS failure, when they prevent inspectors from communicating with residents and gaining entry into the unit to conduct an inspection.

8.6.9 Exits

- The apartment must have an unblocked, acceptable, alternative means of egress in case of a fire (e.g., fire escape, fire exit);
- Illegal window gates (gates that are located in front of fire escape windows and are locked with combination locks or key padlocks) are an automatic HQS failure.
- Legal window gates are located in front of fire escape windows and allow easy exit in case of an emergency. These types of gates do not have locks but have a mechanical lever that can be lifted and the gate pulled back in case of an emergency. Gates with a quick release system are permissible.

8.6.10 Sanitary

- The apartment must be free of severe infestation of vermin or roaches; and
- Sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human and animal waste.

8.6.11 Smoke and Carbon Monoxide Detectors

- A smoke detector and a carbon monoxide detector are required in every unit, except where exempted by local law. Building owners are responsible for installing the detectors in accordance with the law, while tenants are responsible for maintaining them in working order. Detectors are to be located in the hall of the unit near the bedrooms and on every floor if the dwelling has multiple floors. Detectors may be battery or hard-wire operated, and smoke and carbon monoxide detectors may be separate devices or a combined detector;
- If a detector is present but is inoperable (due to the need for a battery or if the tenant has removed the smoke detector for cooking purposes) the failure will be considered a tenant-caused deficiency; and
- If a hearing-impaired person is occupying the dwelling unit, the detectors must have an alarm system designed for hearing-impaired persons as specified in the National Fire Protection Association Standards (NFPA) 74.

8.6.12 Lead-Based Paint

Federal lead-based paint requirements applying to federally-funded RSP sub-programs are codified at 24 CFR Part 35, subparts A, B, M and R. Owners are also required to comply with applicable local laws, such as the NYC Childhood Lead Poisoning Prevention Act of 2003, also known as Local Law 1 of 2004, and HPD's implementing rules, which are available online at <http://www1.nyc.gov/site/hpd/section-8/landlords-inspections.page>.

If a unit or public area fails an HQS inspection for a presumed lead-based paint condition, the owner's responsibilities under federal and local regulations will be detailed in HPD's "Notice of Failure and Notice of Violation" package. The owner's responsibilities for correction will depend on the building type and the location of the hazard. Where local law does not apply, federal rules regarding correction and ongoing maintenance will apply.

HPD partners with the New York City Department of Health and Mental Hygiene (DOHMH) to address lead-based paint investigations related to children with elevated blood lead levels. DOHMH investigations may result in HQS failures. If DOHMH issues a Commissioner's Order to Abate (COTA), HPD will issue a notice of failure for lead based paint hazards. The owner will have a 30-day period to correct the failure.

8.7 Emergency Conditions

HPD, at its discretion, may determine certain HQS defects to be emergencies. The owner must repair these defects within 24 hours. HPD will also refer hazardous conditions to HPD's Office of Code Enforcement for remedial action. The following list provides examples of the type of household defects that HPD considers emergency HQS failures. Depending on their severity, other conditions may be cited as emergency HQS failures requiring a 24-hour correction period, including:

- Gas leaks
- Smoking/sparking electrical outlets or wiring; or
- Building in imminent danger of collapse.

8.8 Tenant Responsibility Defects

HPD distinguishes between tenant-caused and owner-caused HQS defects on the inspection failure report provided to both the tenant and owner. Unless provided for in the lease agreement, owners are not responsible for the correction of HQS defects that HPD determines were tenant-caused. Damages to the apartment in excess of normal wear and tear by a household member will be considered a tenant-caused defect. HPD reserves the right to make a determination of the cause of any HQS deficiency following an inspection and discussion with both the owner and the tenant.

Examples of Tenant Responsibility to Repair Failures include:

- No electricity when the tenant is responsible for the payment of utilities;
- No gas to the unit when the tenant is responsible for this utility per the lease agreement;
- No heat in conformance with local code when tenant is responsible for this utility per the lease agreement;
- A fire escape blocked, or exit blocked by tenant;
- The heavy accumulation of refuse or debris in the unit;
- No battery in the smoke/carbon monoxide detector or the smoke/carbon monoxide detector is inoperable; or
- Not providing access to a specific room in the assisted unit

8.9 The Inspection Process

8.9.1 General Policies

There are five types of HQS inspections:

- Initial inspection prior to entering into a Rental Assistance Contract (RAC) with an owner
- Periodic inspection (based on the frequency required under RSP policies and/or regulations)
- Re-inspections to confirm that deficiencies have been corrected
- Verification inspection
- Quality control inspection

Inspections will be scheduled as required under this Administrative Plan. Additionally, inspections may be scheduled at the request of an applicant, a participant, an owner/managing agent, HPD staff, or any other interested party.

For routine inspections, HPD will notify both the tenant and the owner of the scheduled inspection date. For occupied units, the tenant is responsible for providing access to the unit. If two scheduled HQS inspections are missed, HPD may terminate the family from the program for failure to uphold their family obligations. For initial inspections of vacant units, owners are responsible for providing access and failure to do so may result in a cancellation of their Requests for Unit Approval.

HPD inspectors will document on the appropriate form all defects that may cause the unit to fail to meet HQS standards and will indicate whether those failures are deemed to be caused by the owner or the tenant, or both. HPD will verify that HQS failure items have been repaired. Therefore, a re-inspection of a unit with HQS failures is not required provided that HPD can obtain verification through an alternative means. HPD will require re-inspections for tenant-caused failure items and other times at HPD's discretion and/or at the request of the owner or tenant; however, HPD will verify non-emergency, owner-caused failure items through certifications signed by both the owner and tenant. HPD reserves the right to require re-inspection or to accept self-certification for emergency owner caused failure items.

If a unit fails an HQS inspection, notification of the failure and a list of the defects will be provided to the tenant and the owner, and a copy will go into the tenant's file. The failure letter will provide the owner (or tenant, if the defect is the tenant's responsibility to repair) with the date the condition must be corrected and certified as corrected. If applicable, the letter will also provide the date of the re-inspection of the unit. The letter will also notify the owner that the RAC payment will be abated in accordance with HPD policies if repairs are not completed within 24 hours in the case of emergency failures, or 30 days in the case of routine, non-emergency failures. If the unit fails re-inspection, the RAC payment will be abated and the owner must notify HPD once the defects have been corrected.

8.10 Initial Inspections for New Program Units

Initial inspections will be scheduled upon submission of an approved RFUA. An initial inspection that passes HQS will be valid for one year. However, HPD reserves the right to conduct a second inspection if the period between the initial inspection and execution of the RAC exceeds 60 days.

If the unit does not pass inspection, the owner will be notified of the defects. The participant or applicant will receive, when possible, notification of the failure and will have the option of either searching for alternative housing or waiting for the deficiency to be corrected if the owner indicates that the defect will be corrected within a reasonable time. It is the owner's responsibility to notify HPD that the failure has been corrected.

Access to vacant units for the initial inspection is the responsibility of the owner. If an owner misses two appointments, HPD will cancel the RFUA and allow the tenant to look for alternative housing with the time remaining on their coupon.

8.11 Periodic Inspections

HPD must conduct an HQS inspection of each unit under contract on the frequency required by RSP policies and/or regulations. Where allowed under RSP policies and/or regulations, HPD may substitute an inspection completed by a qualified third party using HQS standards. HPD will notify the family in writing at least 10 days prior to the inspection. Two missed inspection appointments within a 12-month period by the family will be considered an HQS failure and violation of family obligations under the program and will result in termination of assistance.

If the unit does not pass inspection, the owner and tenant will be notified in writing of the defects and the 30-day requirement to make the repairs, or 24 hours if emergency failures are involved. The notice will inform the owner that RAC payments will be suspended the first of the next month if the defect has not been corrected within 30 days or, for emergency failures only, within 24 hours. It is the owner's responsibility to notify HPD that the HQS failure has been corrected.

8.12 Special Inspections

Tenants, owners and interested third parties may report HQS complaints to 311. HPD's Division of Code Enforcement will attempt to inform the owner of the reported failure conditions and then attempt to confirm with the tenant if conditions have been corrected. HPD will attempt to conduct an inspection if the tenant states that failure conditions remain. If HPD fails to gain access, the tenant will be notified to contact HPD and arrange an inspection should the failure conditions remain.

HPD recommends that families immediately report hazardous situations to HPD's Office of Code Enforcement by calling 311 or calling 911 for life threatening conditions. An HQS complaint inspection will be considered critical if the defect creates an immediately hazardous situation. Inspections by HPD Code Enforcement may be used to verify the existence or correction of an emergency hazard. If the defect endangers the family's health or safety, the owner will be required to make the repair within 24 hours. In these instances, HPD will provide the owner and tenant with written notification of the emergency, the 24-hour correction requirement and the possibility of the suspension of RAC payments if the repairs are not made. Payment suspensions will be effective the first of the month following the correction period.

HPD has the right to terminate a Rental Assistance Contract if another federal, state or city authority or agency inspects a unit and certifies that it is unsafe for the family.

8.13 No Access

Tenants are required to allow access to an inspector in order to conduct an HQS inspection. If a tenant fails to provide access to the entire apartment to an HPD inspector two times in a 12-month period, it is considered a breach of family obligation and may result in the termination of RSP subsidy to the family. If the tenant fails to provide access to a specific room, it will be considered a tenant caused failure.

If the tenant fails to provide access to an HPD inspector to verify that HQS violations have been corrected, HPD must take enforcement action (abatement for landlord caused failures and termination of subsidy for tenant caused failures).

8.14 Cancellation of a HQS Inspection by Tenant

Once in a 12-month period, tenants may cancel a scheduled inspection with more than 48 hours' notice. Request for cancellation of an inspection with less than 48 hours' notice will not be honored. A tenant will not be allowed more than one opportunity to reschedule an inspection within a 12-month period without documentation of good cause.

8.15 Abatement of RAC payment and Rental Assistance Contract or Program Termination for HQS Failure

For owner-caused non-emergency failures in occupied units, owners will be given the option of certifying in writing that the defects have been corrected. An HPD-provided "Notice of Housing Quality Standards Failure" (NOF) form must be signed by both tenant and owner and submitted in its entirety to HPD via certified mail, fax, or email within 30 days of the failed inspection to avoid abatement on the first of the month following the 30-day correction period. Most failure items or violations may also be certified through HPD's e-certification system.

If the owner does not correct failures within 30 days, HPD will abate the RAC payment. The RAC payment abatement will take effect the first of the month following the 30-day correction period and will continue until all HQS deficiencies have been corrected and verified via receipt of a self-certification form or a verification inspection.

If the owner has made repairs but is unable to obtain the signature of the tenant on the Certification of Completed HQS Repairs form, the owner may request a verification inspection. HPD will make reasonable attempts to re-inspect the unit before the 30th day; however, RAC payments will not be abated if the inspection cannot take place before the 30th day. The items are verified corrected as of the date indicated by landlord. If the unit does not pass the scheduled verification inspection, retroactive abatement will take place.

Non-certifiable items such as tenant caused failures will continue to be automatically re-inspected after a 30-day correction period for non-emergencies and after a 24-hour correction period for emergencies. For an initial/vacant unit, it is the landlord's responsibility to notify HPD that corrections have been made and to request a second inspection.

For units with owner caused emergency failures, if the owner fails to notify HPD that emergency failure items have been corrected, the RAC payment will be abated on the first of the month following the initial 24-hour correction period. The owner must notify HPD in writing in order for a verification inspection to occur. If the unit then passes, retroactive payments will be made to the date the repairs were documented, so long as notification of repair occurs within 60 days of the repair.

If a vacant unit fails the verification inspection, HPD will cancel the RFUA per "Initial Inspections for New Program Units." For tenant-caused failures, if corrections are not made by the verification inspection, HPD will begin termination procedures, per "Tenant-Caused Failures".

HPD reserves the right to re-inspect for any self-certified failure items for verification purposes. In the case of lead-based paint hazards, where safe work practices are required, HPD may conduct quality assurance monitoring to verify that owners are compliant with ongoing maintenance requirements. In addition, HPD will randomly re-inspect at least 25% of all self-certified failure items for quality assurance purposes. If a random quality assurance re-inspection reveals that self-certified item is not corrected, the unit will fail inspection.

Self-certification is not accepted for the following failures types:

- Tenant-caused failures
- If a tenant disputes that the defect has been corrected
- Vacant units
- Initial inspections

HPD reserves the right to accept Certification of Completed Repairs forms from owners for Emergency Conditions. All emergency failures will automatically be scheduled for verification inspections.

8.16 Owner-Caused Failures

When an owner fails to correct an HQS failure within the allotted timeframe, HPD will provide the owner with written notice that the RAC payment will be abated effective the first of the month following the correction period. A copy of the notice will also be sent to the tenant. The notice of abatement states that the tenant is not responsible for HPD's portion of any abated rent.

The abatement will continue until all HQS deficiencies have been corrected and verified via receipt of self-certification of HQS corrections or by re-inspection. It is the owner's responsibility to notify HPD that deficiencies have been corrected. If repairs are not made within 90 days (or less, as determined by HPD in more severe cases), HPD reserves the right to terminate the Rental Assistance Contract. HPD will provide the tenant with at least 30 days' notice before the contract termination occurs. As funding allows, HPD will provide the tenant with a new coupon, provided that the family remains eligible for assistance and can provide evidence that the family is in good standing with the current lease requirements, including payments to owners. HPD may, at its discretion, waive the requirement for the tenant to document good standing with lease requirements when there is a compelling and urgent health or safety-related need that requires the tenant to move immediately.

If the defects are corrected after notification of contract termination but before the effective date, HPD may rescind the termination.

8.17 Tenant-Caused Failures

When the tenant causes an HQS failure, HPD will provide the tenant with a notice of the defect and the required timeframe to correct the defect.

If the family causes a hazardous HQS failure requiring immediate correction, the family must correct the defect within no more than 24 hours at the family's expense. For other family-caused defects, the family must correct the defect within no more than 30 calendar days. If defects are not corrected within the above timeframe, HPD will follow its termination of subsidy procedure to terminate the tenant's participation in the program. When a unit fails inspection for heavy accumulation of refuse or debris in the unit, HPD may make a referral to a community-based organization (CBO), or to the development sponsor in supportive housing developments, for assistance and offer an additional 60 days to resolve the failure.

8.17.1 No Access to Landlord for Repair of HQS Violations

If the tenant fails to allow access to a landlord in order to make repairs, a landlord must document at least two attempts to gain access. HPD recommends that landlords send a tenant two certified mailed letters in order to document attempts to gain access to the unit.

Once owners submit documents to the HQS unit, HPD will send tenants a notice urging them to provide access to the owner in order to make repairs. The family will not be granted an emergency move coupon based on HQS failure if they do not allow access to the landlord in order to make repairs. Once the repairs are made and the repairs have been verified by HPD staff, HPD may allow retroactive payment of RAC payments (if abatement has been placed) to the date the owner documented an attempted access to make repairs.

9 RENT REASONABLENESS DETERMINATIONS

9.1 General Policy

HPD will not approve a lease until it has been determined that the initial rent to the owner is a reasonable rent. During the initial term of the lease, the owner may not raise the rent. Furthermore, the contract rent must be reasonable during the whole course of the assisted tenancy in Rental Subsidy Program. The term “reasonable” means that the owner’s proposed rent is within a range of rents that appropriately reflects the market conditions of a particular neighborhood in the city considering all of the relevant factors specified in 24 CFR part 982.507 and listed below. In all cases, the rent to owner may not exceed the rent charged by the owner for comparable unassisted units on the premises.

9.2 When and How Rent Reasonableness Determinations Are Made

Rent reasonableness determinations are made:

- When units are placed under a Rental Assistance Contract (RAC) for the first time;
- When owners request annual or special contract rent adjustments;
- If there is a 10% decrease in the published Fair Market Rent (FMR) published by HUD in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary; and,
- Whenever HPD deems necessary

HPD will determine that the proposed rent:

- Is reasonable in relation to rents for similar units in the private market; and
- Does not exceed rents charged by the owner for comparable, unassisted units in the premises.

HPD’s reasonable rent determination will consider:

- Location,
- Quality,
- Size,
- Unit type,
- Age of the unit,
- Amenities,
- Housing services,
- Maintenance, and
- Utilities provide by the owner

Each participant file will contain documentation that a rent reasonableness review has been conducted for the assisted tenancy, except in cases such as conversion projects where rent reasonableness studies are conducted for entire developments and documentation is kept separately.

9.2.1 Limitations Upon Rent Subsidy - Maximum Family Share

The maximum family share at initial occupancy is a limitation on approved rent. At the time that a family initially receives assistance in an RSP approved unit, if the gross rent for the unit exceeds the applicable payment standard, the family share of the rent may

not exceed 40% of the monthly adjusted income. Request for Unit Approvals (RFUAs) submitted by families that would violate this family share requirement will not be approved.

9.2.2 Rent Reasonableness Methodology

For all units receiving RSP subsidy, HPD will perform rent reasonableness as follows:

- HPD will review the rental information provided by the owner in the Landlord Package and the RFUA;
- HPD will compare the requested rent amounts with comparable market rate unassisted units. HPD will obtain comparable rents from sources such as rent rolls, leases provided by the owner, online databases, the New York City Housing and Vacancy Survey, newspaper listings, and any other independently verifiable source of information.

Owners must provide to HPD any information requested by HPD on rents charged by the owner for other units in the premises or elsewhere. Owners that do not comply with HPD requests for information will have their RFUA rejected and will be notified in writing with a copy to the family.

9.2.3 Rent Regulated Apartments

In rent reasonableness determinations for rent regulated units, the legal rents must be confirmed by the authorizing agency (DHCR, HUD, HPD). HPD will not approve rents that exceed the legal rent amounts. Further, HPD will not approve rents for regulated units if market rate comparable rent does not substantiate the requested amounts.

9.2.4 Annual Adjustments to Rent – Rent Increases

After the completion of the initial term of the lease, owners may request an adjustment in the approved rent once per year. Requests must be made at least 60 calendar days before the proposed effective date of the rent increase (a form is available on the HPD website for this purpose). All rent increases are subject to funding availability, and HPD may not approve a rent increase to an owner if the unit fails HQS due to landlord-caused deficiencies.

For all units, HPD will perform a rent reasonableness analysis using the same methodology as for approving initial rents. The adjusted rent to the owner will equal the lesser of:

- The reasonable rent as determined by HPD;
- The amount requested by the owner;
- The maximum amount allowed for the unit under any applicable rent regulation and/or regulatory agreement, or other rent restriction.

HPD will notify both the owner and the participant in writing when HPD approves a rent increase request. If an increase is approved, the owner must provide HPD with a copy of the new lease executed by both parties before it will be implemented and paid by HPD.

Owners that do not comply with HPD requests for information will have their rent increase request rejected.

10 TENANT SHARE AND SUBSIDY DETERMINATIONS

10.1 Calculating Family Share

Families will pay the highest of the following amounts, rounded to the nearest dollar:

- 30% of the family's monthly adjusted income;
- 10% of the family's monthly income;
- If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs (including tenant-paid utilities), the portion of those payments which is so designated
- \$50 (the "minimum rent" or the minimum total tenant payment established by HPD).

For tenants who are responsible for paying for their own utilities, their share is first applied to the utility expense, up to the amount of the utility allowance in effect, and the remainder goes to the owner as rent. If the utility allowance exceeds the tenant share, HPD will pay the difference in the form of a Utility Assistance Payment. HPD reserves the right to make this payment directly to the utility company or make payments on a quarterly basis.

HPD will grant an exception to the minimum rent requirement if the family is unable to pay the amount because of financial hardship as defined below:

- When the family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program, including a family that includes a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- When the family would be evicted because it is unable to pay the minimum rent;
- When the income of the family has decreased because of changed circumstances, including loss of employment;
- When a death of an income earner in the family has occurred; or
- Other circumstances determined by HPD on a case-by-case basis.

10.2 Maximum Family Share at Initial Occupancy

In instances where the initial gross rent of the unit exceeds the applicable HPD payment standard for the family, the family share of the rent must not exceed 40% of the family's adjusted monthly income. This provision applies only to the initial occupancy of the family in a new unit (including moves).

10.3 Payment Standards

The payment standard is the maximum monthly subsidy HPD will pay for units, according to the number of bedrooms in the unit. It can be no less than 90% and no more than 110% of the HUD-determined Fair Market Rent (FMR) for the New York City metropolitan region.

HPD may establish the payment standard amount for a unit size at any level between 90 percent and 110% of the published HUD Fair Market Rents (FMR). Based on funding availability and other relevant considerations, HPD may periodically revise the payment standard amounts and FMR percentages. HPD will post a notice on its website thirty (30) days in advance of payment standard revisions.

10.3.1.1 Increase in Payment Standard

If the payment standard amount is increased during the term of the RAC, the increased payment standard will be used to calculate the monthly RAC payment for the family beginning at the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

10.3.1.2 Decrease in Payment Standard

A decrease in the payment standard amount will be applied on the anniversary of the first regularly scheduled recertification following the decrease (second annual recertification after the effective date of the decrease in payment standard). HPD reserves the right to apply HPD's new payment standard with a minimum of 60 days' notice to the family.

10.4 Change in Family Bedroom Size

Households may experience a change in the size of the number of bedrooms they are eligible to occupy or of the coupon they are issued. These changes may be a result of change in household composition or changes to HPD's subsidy standards.

10.4.1 Decrease in Family Composition

Households whose family composition decreases may have their bedroom size reduced at the next regularly scheduled annual recertification. Decreases can occur for a variety of reasons including death, divorce, or household members leaving the current address. In such cases, the head of the household will be required to provide documentation of a decrease in family size. Documentation will depend on the reason for the household change but could include certificate of death, divorce, decree, or proof of a new address for a former member of the household. If other documentation is not available, HPD will use its discretion to assess whether alternative documentation can be used to show that the former household member no longer resides in the subsidized unit.

At the time of annual certification, an assisted family will receive notice if they are occupying a unit that is greater than the coupon size issued to the family. For tenant-based RSPs, the payment standard for the household will be reduced to the one associated with the family's new coupon size at the one year anniversary of the regularly scheduled annual certification. If the family is residing in a unit larger than that approved according to their family size, the family will be required to pay the additional cost out of pocket to remain in the oversized unit. Changes in family composition must be updated at the time of annual recertification or within 30 days of the change, whichever is sooner.

Irrespective of any increase or decrease in the payment standard amount, if the family coupon size increases or decreases during the RAC term, the new family size must be used to determine the subsidy standard for the family beginning at the family's first regular reexamination following the change in the family coupon size. The change in coupon size

may occur as a result of a change in family composition or as a result of a change to HPD's subsidy standard. If the reduction in coupon size is a result of the departure of a household member, the tenant will be required to provide documentation of a decrease in family size such as a utility bill or lease at the former household member's new address. If other documentation is not available, HPD will use its discretion to assess whether alternative documentation can be used to show that the former household member no longer resides in the subsidized unit. If the family is residing in a unit larger than that approved according to their family size, the family will be required to pay the additional cost out of pocket to remain in the oversized unit.

10.4.2 Increase in Family Composition

If there is an increase in family size, the bedroom size will also be adjusted based on HPD's subsidy standard at the regularly scheduled annual certification after the family reports the change. At the same time, the payment standard will be updated to the one associated with the new bedroom size.

Household members may only be added after HPD approval except in instances of domestic partnership, marriage, birth, or adoption. For any member to be added to the household, required documentation must be provided by the family. Changes in family composition must be updated at the time of annual recertification or within 30 days of the change, whichever is sooner.

10.4.3 HPD Subsidy Standard Change

In addition to departure or addition of household members, the bedroom size for assisted households may change as a result of changes to HPD's subsidy standards.

10.5 Application of Utility Allowances and Payment Standards

The utility allowance that applies for a household when their initial lease is approved is the utility allowance in effect when the lease is approved and executed by the tenant and owner. The utility allowance that applies for a household when a scheduled recertification occurs is the utility allowance in effect when the recertification is complete. When utility allowances have been revised/updated, the revised/updated allowances will be applied to the family's rent and subsidy calculations at the first regular recertification after the allowance is adopted. HPD reserves the right to apply the new standard with a minimum of 30 days' notice. For example, during an interim recertification, if the utility allowance was revised since the last regular recertification, HPD will apply the new utility allowance.

The payment standard that applies for a household when their initial lease is approved is the payment standard in effect when the lease is approved and executed by the tenant and owner. The payment standard that applies for a household when a scheduled recertification occurs is the payment standard in effect when all recertification documents have been received and the recertification information is entered into the computer system. The payment standard that applies to a household during an interim recertification is the payment standard that was in effect at the last regular recertification. HPD reserves the right to apply changes to the payment standard with a minimum of 30 days' notice to affected families.

11 GENERAL LEASING POLICIES AND RENTAL ASSISTANCE CONTRACT

11.1 Initial Steps in the Leasing Process

When a family finds a suitable unit and the owner is willing to lease the unit under the program, the family must submit to HPD, prior to the expiration of the coupon:

- A completed Landlord Package, including a completed Request for Unit Approval (RFUA);
- A copy of the proposed lease;
- A copy of the shareholder's agreement or deed, in the case of an owner occupied unit (e.g., Mitchell Lama Co-op).

Both the owner and coupon holder must sign the RFUA (except in cases where the owner signs a building-wide RFUA), and the family may not submit more than one RFUA at a time.

HPD will review the proposed lease and the RFUA to determine whether they can be approved. The following factors are considered:

- Whether the unit is an eligible type of housing;
- Whether the unit meets Housing Quality Standards and Space Standards;
- Whether the rent is reasonable;
- Whether the security deposit is approvable in accordance with HPD policies;
- Whether the proposed lease complies with HPD requirements; and
- Whether the owner is approvable and there are no conflicts of interest.

11.1.1 Eligible Housing Types

All structure types can be utilized in the RSP program, including, but not limited to:

- Single-family;
- Duplex;
- Triplex;
- Fourplex;
- Garden apartments;
- Townhomes;
- Walk-up apartments;
- Highrises;
- Manufactured homes where the tenant leases the dwelling and the pad;
- Group residences;
- Single room occupancy (SRO) dwellings;
- Shared housing;
- Cooperative housing (including mutual housing) subject to the specific requirements of the cooperative by-laws and restrictions; and
- Congregate housing facilities.

HPD may not allow an RSP coupon holder to lease a unit that is receiving tenant-based HCV assistance, project-based HCV assistance or any duplicative rental subsidy.

11.1.2 Initial Family Share of Rent

At the time that a family initially receives assistance in an RSP approved unit, if the gross rent for the unit exceeds the applicable payment standard, the family share of the rent may not exceed 40% of the monthly adjusted income. RFUAs submitted by families that would violate this family share requirement will not be approved.

11.1.3 Disapproval of the RFUA

If HPD determines that the RFUA cannot be approved, the landlord and the family will be notified in writing unless verbal notification will suffice based on the reason for the disapproval.

When the RFUA is disapproved, HPD will provide the family with another RFUA form so that they can continue their search for eligible housing.

11.1.4 Screening of Applicants for Family Behavior or Suitability

Placing a family on the waiting list or selecting a family for participation in the program is not a representation by HPD to prospective owners about the family's expected behavior or suitability for tenancy. Tenant screening and selection are the responsibility of the owner. HPD encourages owners to consider a family's background with respect to such factors as:

- Payment of rent and utilities;
- Care of unit and premises;
- Respect for the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that threatens the health, safety or property of others; and
- Compliance with other essential conditions of tenancy.

For victims of domestic violence, poor credit and rental history can be indirect consequences of their status as a victim of violence and should not prohibit their ability to lease apartments in the RSP program.

To assist prospective owners in determining the suitability of applicants, HPD may provide the following information:

- The household's current and prior address; and
- The name and address, if known, of the landlord at the household's current and prior address.

HPD will make an exception to the practice of providing relevant household locations to prospective owners if the family's whereabouts must be protected due to domestic violence or witness protection.

HPD will not provide any additional information about the applicant household but will assist owners, when requested, in referring them to public information resources that may be helpful in determining suitability for tenancy.

11.2 Lease and Tenancy Addendum

11.2.1 Form of Lease

All private leases submitted for RSP assistance must comply with state and local law and be reviewed and approved by HPD staff. Owners that require assistance in drafting a legally permissible lease will be encouraged to purchase a standard lease agreement, such as the Blumberg lease form, that can be found at many stationery stores throughout the city and online at <http://www.blumberg.com>. Leases that conform to requirements for rent-regulated units will also be accepted by HPD as a standard form of lease. HPD will use a model lease as a substitute for a standard lease form only in very limited cases.

The lease must contain:

- The name of the owner and tenant;
- The address of the unit rented (including the apartment number);
- The term of the lease (initial and any provisions for renewal);
- The amount of the monthly rent to owner; and
- Specifications concerning which utilities and appliances are to be supplied by the owner and which are to be supplied by the family.

In addition to the lease, for tenant-based programs, the Rental Assistance Contract (RAC), which includes a tenancy addendum, must be executed.

11.2.2 Initial Lease Term

Initial lease terms in RSP will be for a minimum of 12 months unless HPD approves a shorter term. Shorter lease terms will generally only be approved to improve housing opportunities for the tenant or if shorter-term leases are the prevailing local market practice.

For participants that lease in-place, HPD may approve an initial lease that is shorter than 12 months to accommodate an owner's allowable rent increase under rent regulation law.

In certain limited circumstances, HPD may also grant an initial lease term shorter than one year to accommodate development programs that require the temporary relocation of eligible tenants during building renovation.

Existing leases can be terminated and reissued to match the date of the RAC, if mutually agreed upon by both landlord and tenant.

11.2.3 Lease/RAC Renewal in Rent-Regulated Units

Once an owner has accepted a participant's coupon and signed a Rental Assistance Contract including the required RAC tenancy addendum that establishes an RSP tenancy in a rent-regulated unit, HPD considers that the owner has agreed to the acceptance of the tenant's RSP coupon for subsequent lease renewals, so long as the tenant must be offered a renewal lease. This policy is in accordance with the policy of NYCHA (LHD 3-26). Under these guidelines, a new RAC is not necessary for continued assistance.

11.2.4 Changes in Lease

If a tenant and owner mutually agree to alter the current lease agreement, any changes must be in writing, dated, and signed by both parties. The owner must provide a copy of the updated lease to HPD. HPD will approve any mutually agreed-upon alterations in a lease, as long as the lease still complies with HPD requirements.

A new RFUA, lease and RAC are required for:

- Changes in tenant/owner supplied utilities;
- Changes governing the term of the lease; and
- If a family moves to a new unit even in the same building or complex.

A new lease and RAC are **not** required when the family composition changes or the amount of rent to the owner changes.

11.2.5 Separate Agreements

Owners and tenants may execute separate agreements for services, appliances, and other items or amenities outside those that are provided under the lease, if the agreement is in writing and approved by HPD.

Any appliance, service or other item that is routinely provided to unassisted tenants on the premises or permanently installed in the unit may not be placed under a separate agreement and must be included in the lease. To qualify for a separate agreement, the service, appliance, or item must be an optional amenity.

A tenant's failure to perform under a separate agreement has no effect on the tenant's rights under the lease, and cannot be a cause for eviction.

If the tenant and owner agree on charges for an additional item, as long as those charges are reasonable and not a substitute for a higher rent, HPD will permit them. All agreements for special items or services must be attached to the lease approved by HPD. If agreements are executed at a later date, they must be approved by HPD and attached to the lease.

11.2.6 Security Deposits

The owner may collect a security deposit from the tenant. HPD may prohibit security deposits in excess of private market practice or in excess of amounts charged by the

owner to unassisted tenants. HPD may not pay for security deposits or any other additional costs outside of rent and utilities.

11.3 Rental Assistance Contracts (RAC)

Under RSP, a Rental Assistance Contract will be executed after all of the following events occur:

- Tenant is issued an RSP coupon;
- Tenant locates a unit prior to RSP coupon expiration;
- Rent reasonableness analysis is conducted and rent is determined eligible;
- Landlord package is approved and landlord has been validated to receive payments; and
- Unit passed HQS Inspection

The effective date of a RAC will be at least seven days after the RAC generation date and will be on either the 1st or the 15th of the month. The RAC will include the HPD-required Tenancy Addendum as an attachment. The terms of the RAC and Tenancy Addendum supersede the lease. Applicants will be issued the tenancy addendum in the Briefing Booklet they receive at the time of coupon issuance.

HPD will make every effort to execute the RAC before the commencement date of the lease term. The RAC may not be executed more than 60 days after commencement of the lease term and no payments will be made until the contract is executed. If an executed RAC is not returned to HPD within this 60-day term, the contract will be null and void and the tenant will be issued an RSP coupon to move. This policy includes contracts that may have been executed by the owner but were not returned within the 60-day term. There will be no exceptions to this rule.

11.3.1 RAC Payments

After a RAC has been executed, HPD will begin to make payments to the owner. Payments are made by the New York City's Comptroller's Office in accordance with the terms of the RAC. Prior to the beginning of every month, HPD forwards a copy of the RAC payments register for the entire program to the Comptroller's Office for processing. Checks are subsequently mailed from the Comptroller's Office on the first of every month following confirmation of all payment information. HPD deems payment as received five calendar days after the payment is mailed by the City.

Individual RAC payment registers, which provide detailed information on the amount of RAC payment for every RSP participant family under lease to an owner, are mailed by HPD on or about the first of every month in a separate envelope.

HPD also processes additional RAC payment registers through the Comptroller's Office during the month, as necessary. These adjustments typically account for regular RAC payments that begin mid-month and arrears payments due to owners for items such as retroactive rent increases.

11.3.2 Overpayments

In accordance with the terms of the RAC, if HPD determines that the owner is not entitled to any part of the RAC payment, HPD may exercise rights and remedies including deducting the amount of overpayment from any amounts due the owner (including amounts due under any other RAC), recovering payments, suspending future payments, or terminating the RAC. HPD may seek additional relief by judicial order or action, including specific performance, other injunctive relief, or order for damages.

Examples of overpayments that may occur include:

- Payments made when a unit is under abatement because of HQS violations, or a RAC has been terminated for HQS violations;
- Payments made for a unit vacated with or without the knowledge of the owner. This policy does not apply to RAC payments for the month of the move-out as described below. HPD may recoup any amount due for the period that a tenant did not reside in the unit; and
- Payments mistakenly made twice in one month because of a record-keeping or other error.
- Change of ownership

In all of these examples, the owner would owe HPD the portion of the RAC payment to which they are not entitled.

11.3.3 Termination of Contract and Payment

RAP payments terminate if:

- The lease is terminated by the owner in accordance with the terms of the lease;
- The lease terminates and is not renewed;
- The RAC terminates; or
- HPD terminates assistance for the family.

If an owner has commenced the process to evict the tenant, and if the family continues to reside in the unit, HPD must continue to make payments to the owner in accordance with the RAC until the owner has obtained a judicial determination allowing the owner to evict the tenant. HPD will continue such payments until the family is evicted from the unit or moves out. Payments will be pro-rated to eviction date.

11.3.4 Family Move-out

If the family moves out of the unit, HPD may not make any RAP payment to the owner for any month after the month when the family moves out. The owner may keep the RAP payment for the month when the family moves out.

12 OWNERS

12.1 Definition of Owner

An owner is defined as any person or entity that has the deed or other indicator of ownership to a property and is legally authorized to lease or sub-lease the subject dwelling unit. A principal or interested party in a partnership or cooperation will be considered an owner, if authorization to act on behalf of the partnership, corporation, etc. is provided. Proof of ownership is required for participation in the program and must be submitted in the following form:

- If the property is managed by an agent and payments are to be made to a management company, a copy of the management agreement; and
- A copy of the deed or title registered with the City Register, or a copy of the tax receipt verifying payment of local property taxes for the assisted property.

A legal owner can legally authorize an agent to lease.

12.2 Disapproval of Owner

HPD will not approve a Rental Subsidy Program assisted tenancy if HUD or another party has informed HPD that the owner is debarred, suspended, or subject to limited denial of participation. HPD must also not approve an RSP assisted tenancy under the following circumstances:

- The federal government has instituted an administrative or judicial action against the owner for a violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending;
- A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements;
- The owner is a parent, child, grandparent, grandchild, sister, or brother of any RSP assisted family member residing in a unit that they own. HPD will waive this restriction as a reasonable accommodation for a family member who is a person with a disability. Exceptions to this rule must be approved at the level of Director or above.

HPD may use its discretion to disapprove an owner for an RSP assisted tenancy under the following circumstances:

- Violations of obligations under one or more RSP, HCV HAP, RAC or other contracts between HPD and the owner;
- History of Housing Maintenance Code "C" violations;
- Acts of fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- Participation in any drug-related criminal activity or any violent criminal activity;
- Current or previous practice of non-compliance with HQS and/or state and local housing codes or with applicable housing standards for units leased under any other federal or local housing program;
- Current or prior history of refusing to evict Housing Choice Voucher program, RSP program, or other assisted housing tenants for activity 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 residents, HPD employees, or owner employees; threatens the neighbors' health or safety, or neighbors' right to peaceful enjoyment of their residences; or engages in drug-related criminal activity or violent criminal activity;
- The owner has engaged in or threatened abusive or violent behavior toward HPD personnel; and
 - The owner fails to pay state or local real estate taxes, fines, or assessments.

An owner that has entered into a legal agreement with HPD to pay outstanding obligations may be approved for participation in RSP. This decision will be made on a case-by-case basis and must be approved by an employee at the level of Director or higher.

12.3 Change in Ownership

Owners of properties with any HPD assisted tenants must notify HPD of their intent to sell the assisted address at least 30 days in advance of the anticipated closing date and notify HPD when a contract for sale has been executed. This requirement for advance notice includes any transaction that transfers ownership of the property from one entity to another, even where the individuals or the corporations may be similar or related. Proper notice to HPD will include the anticipated date of sale, the name of and the contact information for the purchaser.

Upon notice to HPD of a pending sale, a review and reconciliation of payments to the owner will be completed. The seller will be notified of any debts or payments due and will be requested to satisfy them prior to the date of sale. HPD will hold subsidy payments based on the anticipated date of sale reported by the seller. If the date of sale changes or the sale will not proceed as anticipated after being reported to HPD, the seller will be responsible for reporting that change to HPD promptly. Failure to do so will lead to an interruption in subsidy payments.

Upon completion of the sale, HPD may approve the assignment of a RAC contract at the purchaser's written request. The purchaser will be responsible for submitting the change of ownership request and request for assignment of the HAP contract(s) within 30 days of the date of sale. HPD may also deny approval of assignment of the contract to the purchaser for any of the reasons listed above.

To assign the RAC contract, the purchaser must submit a City of New York Substitute Form W-9, current IRS-issued tax identification number documentation, a copy of the property deed, and a completed Request for Assignment of RAC Contract to the Owner Services Unit. HPD will process a change of ownership only if the written request is accompanied by proper documentation of ownership of the property.

If the purchaser submits a complete request to change ownership within 30 days of the sale of the property, HPD may choose to provide up to 60 days in retroactive payments to the date of sale, provided that no rental subsidy payments were made to the seller after the date of sale. If HPD is not notified of the sale 30 days in advance, and as a result, RAC payments have been issued to the seller after the date of the sale, HPD will

not issue payments for this time period to the purchaser. The purchaser will be directed to contact the seller for those funds.

If the change in ownership request that is submitted is determined to be incomplete, HPD will request additional information and provide a 30-day deadline for a response. If the owner fails to respond by the provided deadline, upon completion of the required documents, HPD may make the rental subsidy payments prospective from the date that all required documentation is supplied to HPD.

13 ANNUAL AND INTERIM RECERTIFICATIONS

13.1 Annual Recertification

HPD may conduct an annual or income recertification of income and family composition by mail and/or in person. The frequency of annual and interim recertifications may differ among various RSP sub-programs. The recertification frequency for each RSP sub-program is defined in the program descriptions included in Appendix A.

HPD may elect to conduct a recertification of income and family composition more frequently than annually. Generally, at least 90 – 120 days in advance of the scheduled annual recertification date, HPD will send a recertification package to the Head of Household. The package contains documents, as identified below, that the tenant and associated third parties must complete for verification purposes. In general, verification documents should be dated no more than 60 days prior to the date the application is returned. In cases where income and asset information are reported quarterly or semi-annually by a third party, the most recent statement will be acceptable:

- Rental Subsidy Program recertification declaration form;
- Authorization for the Release of Information;
- Declaration of Employment Status;
- Declaration of All Income;
- Verification of Wages;
- Verification of Assets;
- Verification of Un-reimbursed Medical and Pharmacy Expenses (where applicable);
- Verification of Un-reimbursed Disability Expenses (where applicable);
- Verification of Student Status (where applicable);
- Verification of Absent Parent (where applicable);
- Bank account verification;
- Verification of Child Care Expenses (where applicable);
- Request to Add a Household Member (where applicable);
- Request to Remove a Household Member (where applicable);

The entire package, including all required third party verifications, must be returned to HPD on or before the return date printed on the package, or within **30 calendar days of receipt** by the participant, which is deemed by HPD to be five calendar days after mailing. If HPD has not received the package within this timeframe, HPD will send the tenant a “Pre-Termination Notice of RSP Non-Compliance,” along with a “Request for Conference” form. Participants will be given 15 calendar days from the date of the notice to request a conference at which they will be granted the opportunity to meet with HPD staff to resolve any outstanding matters that prevent HPD from determining their eligibility for an RSP subsidy.

HPD will accept partially completed packages if the tenant is in the process of obtaining income documentation. If third party verifications have not been completed and returned to the agency, HPD will attempt to verify information through various means.

HPD will analyze and verify all information included in the recertification package, recalculate the family share of the rent and notify both the tenant and the owner of the new rent amount to be paid by the tenant and new RAC payment to be made to the owner (if applicable). This notice, or “rent breakdown letter,” will include effective dates of the new RAC payment amount, family share and new rent to owner.

If the family fails to respond or inadequately responds to a pre-termination notice, a termination notice will be sent that provides information concerning appeal procedures to contest the decision. Terminations will become effective the last day of the month following the date a termination notice has been sent.

13.2 Interim Recertification

Participants are required to report all changes in their household composition within 30 days of the change, at their next annual recertification and at HPD’s request. Participants are also required to report any increases of income in the household at their next annual recertification and at HPD’s request. Participants may elect to report decreases in income at any time. When a participant reports a change in household size or a decrease in income outside of the annual recertification, the date of the notification will be noted, and the participant will be advised to visit the HPD to complete a form and submit verification of the change.

An interim recertification will be conducted for changes in household size or decreases in income reported prior to the annual recertification. HPD may elect to conduct an interim certification as needed to reflect changes in income detected through EIV or other Upfront Income Verification (UIV) databases. In this instance, HPD may send a recertification package for completion and submission. HPD will not reduce the family share of rent when the family reports a loss of welfare benefits due to fraud or a failure to participate in self-sufficiency or work activity. HPD will conduct an interim certification as needed to reflect changes in income for Family Self-Sufficiency participants, households reporting a replacement of their prior income, households whose income is less than \$2,000, and households who report new income as a replacement of prior income.

13.3 Recalculating Family Share and Subsidy Amount

HPD will notify the participant and the owner of any changes in the tenant share of the rent and the RAC payment as follows:

13.3.1 Increases in Tenant Share of Rent

Increases in the family’s share of the rent will become effective the first day of the month following a full 30-day notice. If there has been misrepresentation of income by the tenant, HPD may make the rent change effective on the first day of the month following completion of the recertification (no 30-day notice provided), or retroactive to the date it would have been effective had it been reported in a timely manner. The family will be liable for any overpaid Rental Assistance Contract payment and may be required to sign a repayment agreement.

13.3.2 Decreases in Tenant Share of Rent

Decreases in the tenant share of rent will become effective on the anniversary date of the annual recertification. If an interim change is reported and sufficient verification

documentation is submitted (as defined in Chapter 6 of this Plan) within 90 days of the change being reported, the decrease will become effective retroactive to the first of the month following date the change was reported. If documentation is not submitted within this time frame, the decrease will become effective on the first of the month following the date documentation is received. If sufficient documentation of a decrease in income is provided but the scheduled recertification effective date is more than 30 days in the future, HPD may complete an interim certification on the first day of the following month. If a recertification package is not complete by the anniversary date, the rent change will be effective the first of the month following submission of all required documents.

To ensure consistency in compliance, HPD reserves the right to determine what warrants a “timely manner.” Generally, a “timely manner” is considered 60 calendar days.

13.3.3 Increase in Family Size

A family must obtain HPD approval of any additional family member before the new member occupies the unit except for additions by marriage, domestic partnership, birth, adoption, or court-awarded custody, in which cases the family must report these additions in within 30 days of the event. Approval from landlord or management of an addition to the household is not required.

If a unit does not meet HQS standards due to an increase in family size, and the family will be required to relocate to an appropriately sized unit. For tenant-based RSPs, HPD will issue a new coupon to the family, as funding allows,

Families that add members and qualify for a larger bedroom size will also be provided a new bedroom size if funding is available and will be provided the opportunity to move or transfer. However, unless the addition of the family member(s) results in the HQS violation described above, the family will not be required to relocate.

13.3.4 Decrease in Family Size

Decreases in family size must be reported within 30 days of the decrease. When the family size decreases, the new family size must be used to determine the payment standard amount for the family beginning at the family’s first regular recertification following the change. With HUD approval, HPD reserves the right to implement the new payment standard with 60 days’ notice to the family. If the family is “overhoused” according to HPD subsidy standards, the family will be required to relocate to an appropriately sized unit or pay the additional cost out of pocket to remain in the oversized unit.

If the family failed to report a change in composition in a timely manner, any difference in the allowable subsidy due to a reduced coupon size may be charged to the family retroactively from the first day of the month following the change and a new coupon will be issued to the family immediately, if funding is available. HPD also maintains the right to terminate assistance to the family for failure to report the change in family composition.

If an assisted family breaks up, refer to the Family Break-Up section (7.2.8) for HPD’s policies on which family member retains the voucher.

14 MOVING WITH CONTINUED ASSISTANCE

14.1 Moves

A family is not permitted to move during the initial lease term. Thereafter, families may request to move only once every 12 months. Requests may be approved as funding allows and if:

- The assisted lease for the old unit has terminated by mutual agreement of the owner and the tenant, or by HPD action of terminating the RAC; or
- The owner has given the tenant a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant (unless assistance to the family will be terminated); or
- The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner, for owner breach or otherwise).

HPD may deny permission to move if:

- The family has violated a family obligation; or
- The family owes HPD money; or
- The family owes the landlord money.

14.1.1 Exceptions to Move Policy

HPD may grant an exception to these restrictions in an emergency situation, or if the family meets special circumstances associated with a reasonable accommodation or as required under the Violence Against Women Act (see Sections 2.3 and 2.5). HPD may also grant an exception if the family becomes overcrowded, as defined by HUD's HQS standards, or if the apartment has had two consecutive owner-caused HQS failures, or if the apartment has been in owner-caused HQS failure status for 90 days.

Moves within a building or a managed group of buildings – also referred to as transfers – may be scheduled at different intervals than every 12 months, at the discretion of HPD, if the family and owner are both in agreement and provide the required documentation to HPD for approval prior to transfer.

14.1.2 Move Procedures

Families that wish to move must follow the procedures presented below:

- The family must submit to HPD a request to move in writing;
- The family must provide proof that they are in good standing with their rent. Proof can come in the form of a general release letter from the landlord, or proof of rent payments (e.g., cancelled checks). HPD may, at its discretion, waive the requirement for the tenant to document good standing with lease requirements when there is a compelling and urgent health and safety-related need that requires the tenant to move immediately;
- If HPD has not recertified the family's income and composition within the past six months, the family will be required to complete a recertification package;

- Families that are eligible to move will be issued a move package that contains an RSP briefing booklet, an RSP coupon, an apartment listing and search log, and an HPD landlord package; and
- The family may conduct a search for new housing. If the family does not locate a new unit, they may remain in their current unit so long as the owner permits.
- Families may move or transfer to a new unit only after receiving an approval notice from HPD.

HPD may restrict moves with continued assistance to units with a contract rent that is the same or lower than the previously assisted unit. Families may only move to units that have a similar or lower rent than the previously assisted unit.

Once HPD has determined that funds are available, HPD will inform those households who were previously denied due to funding availability that they are eligible to move. Participants must follow the move procedures outlined herein.

In a move, assistance stops at the old unit at the end of the month in which the tenant moved out, unless proper notice was provided to end the lease otherwise. Assistance will begin on the new unit on the effective date of the lease and Rental Assistance Contract. Assistance payments may overlap for the month in which the family moves. Failure to complete the move process once the RAC is signed is a violation of family obligations and may result in termination of subsidy.

If a tenant who has requested a move and processed the necessary paperwork to change units subsequently decides not to move, or if their move is delayed, the tenant must notify HPD immediately so that current and future landlord accounts can be properly credited. Tenants who fail to notify HPD after such change of plans may be denied future move requests. It is a violation of family obligations to legally occupy two units and HPD will consider this act as grounds for termination.

HPD will process all move requests in the order that they are received, but reserves the right to prioritize requests depending upon special circumstances or emergency situations. This includes the following reasons:

- As an accommodation for VAWA;
- Risk of foreclosure;
- Status as an intimidated victim and/or intimidated witness;
- Stoppage of utilities due to hazardous conditions;
- Parties are in Housing Court proceedings in which the landlord is attempting to gain possession of the apartment;
- Residing in a unit with an HQS failure or with rent burden; or
- Due to court stipulation/order waiving rent arrears.

As long as these tenants are in compliance with program regulations and their leases, these coupons will be prioritized.

14.2 Required Moves

Families that fit into one of the categories in this section are required to move to a new assisted unit under HPD policy. When one of the conditions listed below is present, the

family will receive a Required Move Notice. In order to maintain subsidy, these families must request and pick up their required move coupon and any extensions, and locate a new unit within the coupon term. Failure to comply with required move processes may result in termination of the family from the program.

14.2.1 Owner Non-Compliance

In the following circumstances, when the unit or owner is not in compliance with HPD requirements, HPD will terminate the RAC and offer the family the opportunity to move with assistance. To continue receiving subsidy, families must move to an acceptable unit within the RSP coupon term and in accordance with HPD's move policies. Failure to comply with HPD's move policies is grounds for termination.

14.2.2 Unit is Under Long-Term RAP Abatement

If the unit is under RAP abatement for HQS failures for more than 120 days, HPD will offer the family the opportunity to request a move coupon. Families must search for a new unit during the coupon term and complete a move once a unit has been approved by HPD to continue to receive subsidy.

14.2.3 Violation of Space Standards

If HPD determines that the unit no longer meets HQS because of an increase in family size or composition, HPD will offer the family a move coupon to enable the family to find an acceptable unit within the coupon term. If the family does not find an acceptable unit by the expiration date of the coupon, the family may request additional time to continue their housing search by submitting a request in writing. Additional time to search for an appropriate sized unit will be granted on a case by case basis, and in consideration of factors such as:

- Documented attempts to search for housing; and/or
- Extenuating circumstances that may have prevented the family from finding an acceptable unit.

If an acceptable unit is available for rent by the family, HPD must terminate the original RAC, with notification to family and owner. The contract terminates at the end of the month that follows the month in which notification is given.

14.3 Porting out of New York City

A coupon holder or participant family of certain federally-funded, tenant-based RSPs has the right to receive tenant-based voucher assistance to lease a unit outside HPD's jurisdiction, anywhere in the United States, in the jurisdiction of another Public Housing Authority (PHA) with tenant-based assistance under the same RSP program. Continued assistance is bound by the payment standards and other policies of the 'receiving' PHA. Any program-specific exceptions to portability are noted in the applicable appendices.

Unlike moves, portability can be exercised immediately upon receipt of the coupon and does not require an initial lease up in HPD's jurisdiction. Requests for portability by existing participants may be approved as funding allows and if:

- The assisted lease for the old unit has terminated by mutual agreement of the owner and the tenant, or by HPD action of terminating the RAC;
- The tenant is not in the process of subsidy termination with HPD and the owner has given the tenant a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner, for owner breach or otherwise).

HPD may deny permission to port if:

- The family has violated a family obligation;
- The family owes HPD money; or
- The family owes the landlord money.

Per the requirements of the NYC Comptroller's Office, a receiving PHA must submit a substitute W-9 form and proof, from the IRS, of its EIN number in order to have its payments processed.

15 DENIAL OR TERMINATION OF ASSISTANCE

HPD may deny or terminate assistance for a family because of the family's action or failure to act. HPD will provide families with a written description of the family's obligations under the program, the grounds under which HPD can deny or terminate assistance and HPD's procedures for informal reviews, conferences, and informal hearings.

15.1 Forms of Denial/Termination of Assistance

Denial of assistance for an applicant may include any or all the following:

- Denying placement on the waiting list;
- Denying or canceling a coupon; or,
- Refusing to enter into a Rental Assistance Contract or approve a tenancy.

Termination of assistance for a participant may include terminating payments under an outstanding Rental Assistance Contract or other similar actions.

15.2 Mandatory Denial of Assistance

HPD must deny RSP assistance to an applicant under any of the following circumstances:

1. If the family does not meet the program eligibility criteria as defined in this Administrative Plan including the applicable program descriptions in the appendix for the applicable RSP sub-program;
2. If the Head of the Household is a full-time student enrolled at an institution of higher education and:
 - is under the age of 24,
 - is not a veteran,
 - is not married,
 - does not have dependent children,
 - is not residing with their parents in an RSP assisted household,
 - is not a person with disabilities receiving RSP assistance as of November 30, 2005,
 - is not otherwise individually eligible, and
 - has parents who, individually or jointly, are ineligible on the basis of income to receive assistance under Section 8 of the Housing Act of 1937;
3. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
4. If any member of a household is subject to a lifetime registration requirement under a State sex offender registration program;
5. If any member of the family fails to sign and submit consent forms for obtaining information required by HPD;
6. If no family member can establish either citizenship or eligible immigration status; (i.e., at least one member of the family must establish either citizenship or eligible immigration status.)
7. If any family member owes any debt to HPD or another Public Housing Authority;
8. If a family member has been evicted from federally assisted housing for drug-related criminal activity. However, HPD may admit the family if HPD determines

that the person who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program; or

- That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned)

15.3 Mandatory Termination of Assistance

HPD must terminate program assistance for a participant under any of the following circumstances:

1. If the family is absent from the assisted unit for more than 180 consecutive days under any circumstance;
2. If the head of the household is a full-time student enrolled at an institution of higher education and:
 - is under the age of 24,
 - is not a veteran,
 - is not married,
 - does not have dependent children,
 - is not residing with their parents in an RSP assisted household,
 - is not a person with disabilities receiving RSP assistance as of November 30, 2005,
 - is not otherwise individually eligible, and
 - has parents who, individually or jointly, are ineligible on the basis of income to receive assistance under Section 8 of the 1937 Act;
3. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
4. If the family is evicted from the assisted unit for serious or repeated violation of the lease, as defined in Section 15.8 of this Administrative Plan;
5. If any member of the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR Part 5;
6. If the family, as determined by HPD, has knowingly permitted another individual who is not an approved member of the family to reside (on a permanent basis, defined as more than 90 days) in the unit;
7. If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
8. If the Head of Household refuses to enter into or breaches a repayment agreement with HPD; or
9. If a member of an assisted household was subject to a lifetime sex offender registration requirement at admission and was admitted any time after June 25, 2001 and the family subsequently refuses to remove the ineligible family member from the household.

15.4 Permissible Grounds for Denial or Termination of Assistance

HPD may deny RSP assistance to an applicant or terminate program assistance for a participant under any of the following circumstances:

15.4.1 Permissible Grounds for Denial

HPD may deny program assistance to an applicant under any of the following circumstances:

1. If HPD has previously terminated Housing Choice Voucher, RSP or other assistance for any member of the family;
2. If the Head of Household has previously been terminated from a federal housing program for adverse termination reasons:
 - Criminal Activity – Drugs (within the past three years). See Drug Related Criminal Activity section 15.5.2; or
 - Failure to Report Income;
3. If any member of the family listed on the application has been evicted from federally-assisted housing in the last five years;
4. If HPD determines that the applicant or any member of the family listed on the application is receiving subsidy in another housing program; or
5. If the family has previously breached a repayment agreement with HPD.
6. If an applicant family to a project-based rental assistance program would not be appropriately-housed (i.e., would be overhoused or overcrowded) in any units in the project for which the family is applying based on HPD's subsidy standards.

15.4.2 Permissible Grounds for Denial and/or Termination

HPD may deny program assistance to an applicant or terminate program assistance to a participant under any of the following circumstances:

1. If any household member or guest engages in illegal use of a drug in the assisted unit;
2. If any member of the family commits drug-related criminal activity, or violent criminal activity;
3. If HPD has reasonable cause to believe that a household member's alcohol or illegal drug use or a pattern of alcohol or illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;
4. If the family currently owes rent or other amounts to HPD or another PHA in connection with Housing Choice Voucher, RSP, or public housing assistance under the Housing Act of 1937;
5. If the family has breached a repayment agreement with HPD or another PHA;
6. If the family, a guest or apparent agent of the family has engaged in or threatened abusive or violent behavior toward HPD personnel. This 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 and physical gestures or use of animals as weapons that communicate an intent to abuse or commit violence;
7. If the family has misrepresented income, household members, or any other reported information on or accompanying the RSP application or annual recertification;
8. If HPD discovers a family's second occurrence of misrepresented income (including income from assets) by \$5,000 or more;

9. If HPD determines that the family has misrepresented income (including income from assets) by \$10,000 or more;
10. If HPD determines that the family has misrepresented income resulting in an overpayment of RAC subsidy of \$5,000 or more, or HPD determines based on program policies that the repayment period for overpayment of RAC subsidy would be five years or longer;
11. If the family has violated one of the family obligations listed on the RSP coupon, RSP briefing booklet, or in this RSP Administrative Plan;
12. If the family has failed to provide information requested by HPD or the family has failed to attend their scheduled briefing with HPD;
13. If the family has not reimbursed any PHA for amounts paid to an owner under a RAC for rent, damage to a unit, or any other amounts owed under the lease;
14. If the family is absent from the assisted unit for more than 180 cumulative days per year;
15. If the family is absent from the assisted unit for more than 90 consecutive days without prior written approval by HPD as described in Chapter 5: Eligibility;
16. If a family member has engaged in activity that may threaten the health or safety or the owner, property management staff, or persons performing the contract administration function or responsibility on behalf of HPD, including an HPD employee or contractor or agent;
17. If the family fails to complete a required move; or
18. If the family relinquishes, abandons, or is evicted from the assisted unit without prior written approval to move by HPD.

15.4.3 Denial/Termination Due to Lack of Funding Availability

During periods when funding availability is limited, HPD reserves the right to rescind RSP coupons issued first and then terminate subsidies if necessary. In such situations, HPD will decide which households will have their coupons rescinded or subsidy terminated based on factors including but not limited to:

- Risk of immediate homelessness
- Household income as it relates to the Area Median Income
- Value of assets for all household members
- Level of RSP expense
- Availability of alternate housing subsidy

Households who were terminated will have the opportunity for re-instatement if funding becomes available. Those terminated last will have the first opportunity for re-instatement if they remain eligible. Those who have secured alternate housing subsidy may not be re-instated in the program.

15.5 Screening and Termination for Drug Abuse and Other Criminal Activity

All screening and termination of assistance procedures will be administered fairly and in such a way as to not violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sexual orientation, gender identification or other legally protected groups. Owners are responsible for screening their tenants prior to executing a lease.

15.5.1 Screening of Applicants and New Household Members

HPD will use third party verification and other online databases to screen for history of criminal activity. 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 federal regulations, HPD will endeavor to screen applicants as appropriately 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.

15.5.2 Drug Related and Violent Criminal Activity

Persons evicted from federally-assisted housing because of drug-related criminal activity are ineligible for admission to the RSP program for a three-year period beginning on the date of such eviction. However, the household may be admitted if, after considering the individual circumstances of the household, HPD determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program, the documentation of which has been approved by HPD; and
- That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).

15.6 Notice of Termination of Assistance

If HPD decides to terminate assistance to the family, HPD must give the family a written notice of intent to terminate, with reasons, as well as notify them of their right to an informal hearing prior to the proposed date of termination. Terminations will allow a minimum of 30 days' notice, with the following exceptions:

- Death of sole household member. The termination will be effective the end of the month of the date of death, as confirmed by the Social Security Administration or death certificate. HPD will not make RAC payments beyond this date.
- The assisted unit is vacated by the family without HPD approval. HPD will send a notice of pre-termination and schedule a Program Integrity Compliance (PIC) unit visit if necessary.
- Head of Household relinquishes subsidy

15.7 HPD Discretion

In deciding whether to deny program admission or terminate assistance because of action or failure to act by members of the family, HPD has discretion to consider all the circumstances in each case including the seriousness of the case. Such acts include, but are not limited to:

- Failure to occupy a unit as a primary residence after execution of a RAC contract;
- Failure to attend a conference;
- Failure to utilize the coupon within the time allowed;
- Failure to enter into a lease at a project-based RSP development

HPD will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. HPD may also review the family's more recent history and record of compliance and the effects that denial of program admission or termination of assistance may have on other family members who were not involved in the action or failure to act.

HPD may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. HPD may permit the other members of a family to continue in the program.

15.8 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 family of termination of tenancy for a serious or repeated lease violation and the family moves from the unit prior to completion of court action, and HPD determines based on available evidence that the cause of the move is a serious or repeated violation of the lease;
- If the family fails to provide access to the unit for the owner or management agent so that HQS deficiencies can be cured as required by HPD;
- If there are police reports, neighborhood complaints or other third-party information that has been verified by HPD and are linked to a serious or repeated violation of the lease; and
- Non-payment of rent is considered a serious violation of the lease. A court order of eviction for non-payment is not required for HPD to terminate assistance. If an owner provides sufficient documentation of non-payment of rent, HPD will consider termination of assistance for the participant.

15.9 Termination of Tenancy by Owner

The owner may only evict the tenant by court action. During the term of the lease (the initial term or any extension thereafter), the owner may only terminate the tenancy because of:

- Tenant commits a serious or repeated violation of the lease;
- Tenant disturbs neighbors;
- Tenant destroys property;
- Tenant has living or housekeeping habits that cause damage to the unit or premises;
- Tenant violates federal, state, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises;
- Tenant engages in criminal activity or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents; or
- Other good cause.

Non-payment of the Rental Assistance Contract subsidy by HPD is not grounds for termination of the lease because the family is not responsible for that portion under the RAC.

If the owner intends not to renew a lease or not to accept a renewal RAC, the owner must give HPD 60 days' notice prior to the end of the current lease term, in order that HPD can offer the participant a coupon to move. However, under rent stabilization, landlords *must* offer tenants in good standing a renewal lease that includes the material terms of the previous lease. The acceptance of RSP subsidies is a material term of the lease; therefore, landlords of rent-stabilized units are obligated to accept RSP in their renewal leases. In addition, Local Law 10 of 2008 prohibits landlords from discriminating against tenants based on "lawful sources" of income. Lawful sources of income include Social Security, any federal, state, or local public assistance or housing assistance such as the Rental Subsidy Program.

15.10 Procedures for Non-Citizens

Applicant or participant families in which no members are either U.S. citizens or eligible immigrants are not eligible for assistance and must have their assistance terminated. Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

For federally-funded RSPs, when HPD has clear, concrete or substantial documentation that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted, and the individual will be given an opportunity for a hearing. If the family or any member claimed eligible immigrant status and the U.S. Citizenship and Immigration Services (USCIS) primary and secondary verifications failed to document the status, the family may make an appeal to the USCIS and request a hearing with HPD either after the USCIS appeal or in lieu of the USCIS appeal. After HPD has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

15.11 Missed Appointments and Deadlines

It is a family's obligation to supply information, documentation and certification as needed for HPD to fulfill its responsibilities. HPD schedules appointments and sets deadlines in order to obtain the required information. An applicant or participant who fails to keep an appointment or to supply information required by a deadline without notifying the agency may be sent a notice of denial or termination of assistance for failure to provide required information.

Appointments will be scheduled, and time requirements will be imposed for the following events and circumstances:

- Eligibility for admission;
- Verification procedures;
- Coupon issuance and briefings;
- HQS inspections;
- Recertifications; and
- Informal Reviews, Conferences and Informal Hearings.

Acceptable reasons for missing appointments or failing to provide information by deadlines are: medical emergency, family emergency, and any other reason that HPD deems appropriate. These reasons are only acceptable if HPD is notified in a timely manner.

16 INFORMAL REVIEWS, CONFERENCES, AND INFORMAL HEARINGS

HPD offers numerous ways for program applicants and participants to clarify, resolve, review, and appeal matters and decisions concerning their eligibility to receive Rental Subsidy Program subsidies. These include informal reviews, conferences, and informal hearings. Informal reviews concern denials of assistance to applicants once placed on the HPD waiting list and coupon holders. A conference is used as a preliminary step to resolve matters leading to termination of an RSP participant's subsidy, and an informal hearing is an appeal of termination or subsidy determination for an RSP participant.

HPD will take affirmative steps to communicate with people who need services or information in a language other than English. Interpreters will be available if requested in writing at least three business days before the informal review, conference or informal hearing by the participants. The family has a right to legal counsel or other representation at their own expense.

16.1 Informal Review for Applicants

An informal review is an appeal by an applicant and will be administered in accordance with the provisions of 24 CFR Part 982.554.

HPD will give all applicants prompt notice of a decision denying assistance along with a brief statement of the reason for HPD's decision. Depending on the reason (see below), the applicant may also be given the opportunity to request an informal review of the decision and a time limit for requesting a review. An informal review consists of a review of the application, its supporting material and any additional written material that an applicant wishes to submit to support the claim of eligibility.

16.1.1 When an Opportunity for an Informal Review is Required

Generally, HPD must provide applicants with the opportunity for an informal review of decisions denying:

- Listing on HPD's waiting list;
- Issuance of a coupon;
- Participation in RSP program.

Generally, informal reviews are not required for the following reasons for denial of assistance:

- Discretionary administrative determinations by HPD;
- General policy issues or class grievances;
- A determination of the family unit size under HPD's subsidy standards;
- HPD's determination not to approve an extension or suspension of a coupon term;
- Disapproval of the owner's lease form;
- An HPD determination not to grant approval of the tenancy;

- An HPD determination that a unit selected by the applicant is not in compliance with HQS; and
- An HPD determination that the unit is not in compliance with HQS because of the family size or composition.

When an applicant is denied assistance because the household income is above the applicable income limits, the period determining income eligibility ends on the date the Denial Notice is printed. Therefore, applicants must prove that they were income eligible at the time the Denial Notice was issued. Subsequent decreases in income will not be considered.

When an applicant is denied assistance for citizenship or eligible immigration status, the applicant is entitled to the same informal hearing that is offered to participants, as discussed in this chapter.

16.1.2 Time Limits

All requests for informal reviews must be made in writing and received by HPD, either by mail or in person, within 30 calendar days from the date printed on the notice. Requests may be mailed or hand delivered to HPD's Appeals Unit. HPD will not accept phone call requests for an informal review. If the applicant does not request an informal review in accordance with these procedures, HPD's determination will become final.

HPD will attempt to schedule all informal reviews within 14 calendar days of receipt of the request. Requests to reschedule an informal review will only be considered for documented emergency situations.

16.1.3 Informal Review Procedures

The Hearing Officer will conduct the informal review. The Hearing Officer will be an HPD employee other than the person who made or approved the determination under review or a subordinate of that person.

The family or its representative may request pre-informal review access to review HPD documents including records and regulations relevant to the informal review. The family may make copies of any such documents at their own expense.

Before any informal review, HPD must be provided the opportunity to examine any family documents that are directly relevant to the informal review at its office. HPD must be allowed to copy any such document at its own expense. If the family does not make a document available for examination on request of HPD, the family may not rely on the document at the informal review.

The applicant will be given the option of presenting oral and/or written objections to the determination in question. The family has a right to legal counsel or other representation at their own expense. Both HPD and the family will have the opportunity to present evidence and/or witnesses.

HPD will notify the applicant of the final decision in writing. The notification will include a brief statement explaining the reasons for the decision.

16.1.4 Issuance of Decision

The Hearing Officer will make a determination on whether the rule or regulation was correctly or incorrectly applied according to the information submitted at the informal review. A notice of the informal review findings will be provided in writing to HPD's Division of Tenant Resources and the applicant within a reasonable period of time and will include a brief explanation of the reasons for the final decision.

All information concerning the informal review will be retained in the family's file.

16.1.5 Effect of Final Review Decision

HPD is not bound by informal review decisions which:

- Concern matters in which HPD is not required to provide an opportunity for an informal review in accordance with 24 CFR Part 982.554;
- Contradict RSP regulations or requirements;
- Contradict federal, state or local laws; or
- Exceed the authority of the person conducting the informal review.

16.1.6 Substitute Hearing Officer

When a Hearing Officer is unable to render a written decision after presiding over an informal review because of death, disability, or extended leave, or is unable to carry out their duties or because that Hearing Officer leaves HPD's employ, HPD will assign a substitute Hearing Officer to review the record. The record will include all testimony and evidence submitted at the informal review and either the audio recording or a written transcript of the informal review when available. The assigned substitute Hearing Officer will render a written decision based upon their review of the record and pursuant to the procedure prescribed in this Administrative Plan and HUD regulations and provide an explanation for the decision to HPD and the participant or applicant in writing.

16.1.7 Preference Denial

Although not required by regulation, when HPD denies admission to an applicant because the applicant does not belong to a preference category, the family will be notified in writing of the specific reason for the denial and offered the opportunity to request an informal review from the Appeals Unit.

16.2 Conference for Participants

The conference is an opportunity for program participants to meet with HPD staff to resolve any outstanding matters that prevent HPD from determining whether the participant is still eligible to receive an RSP subsidy. Participants who do not submit all required information for recertification will be sent a "Pre-Termination Notice of RSP

Non-Compliance," along with a "Request for Conference" form. Participants will be given 15 calendar days from the date of the notice to request a conference. Requests may be mailed or hand delivered to HPD, Division of Tenant Resources.

HPD has voluntarily implemented the conference procedure. HPD is not required to offer a conference and reserves to right to discontinue the use of conferences at any time.

16.2.1 When an Opportunity for a Conference is Granted

In most cases, HPD will offer participants who have not submitted all documents needed to recertify their RSP subsidy, whose information differs from information obtained from third party sources or who wish to dispute the tenant share of rent determined by HPD an opportunity to participate in a conference. A conference request will not be offered or granted for cases involving drug-related or other criminal activity. Such cases will automatically result in a termination.

If a conference is scheduled, but the participant fails to attend, or the conference is held, but the required documentation is not submitted or other conditions are not met, HPD will send a "Notice of Subsidy Termination" to the participant.

If the participant provides the required documentation within the allowable time period, and the documentation satisfactorily demonstrates program compliance, HPD will send a "rent breakdown letter" to the participant and assistance will continue. If the requested documentation is submitted but it does not meet program compliance requirements, subsidy will be terminated.

The "Notice of Subsidy Termination" and the "rent breakdown letter" constitute notification of the conference determination.

16.2.2 Time Limits for Conferences

All requests for conferences must be made in writing and received by HPD within 15 calendar days from the date printed on the "Pre-Termination Notice of RSP Non-Compliance." If a family does not request a conference, the family may still request an informal hearing, if applicable. HPD will attempt to schedule all conferences within 14 calendar days of receipt of the request. All conferences will be conducted within a reasonable period of time (typically 30 days) of receipt of the request. Requests to reschedule a conference will only be considered for documented emergency situations.

16.2.3 Conference Procedures

A team leader and/or coordinator, or higher level program staff will conduct the conference and may regulate the conduct of the conference.

The participant or representative will be given the opportunity to present documents that demonstrate compliance with RSP requirements. In addition, when agreed to at the conference, participants will be permitted to submit required documentation up to seven calendar days after the conference.

At the conclusion of the conference, participants will be required to sign a “Statement of Understanding – RSP Participant Obligations” detailing the documents submitted and the documents still required to be submitted, if any. All documents submitted during a conference will be reviewed for completeness and accuracy after the conference.

16.3 Informal Hearing for Participants

An informal hearing is an appeal by a participant and will be administered as outlined in 24 CFR Part 982.555. Participants in the Rental Subsidy Program must be notified of the right to an informal hearing under certain circumstances concerning their participation in the program.

16.3.1 When an Opportunity for an Informal Hearing is Required

HPD will provide an opportunity for an informal hearing for the following decisions:

- A determination of the family’s annual or adjusted income and the use of such income to compute the RAC payment;
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities;
- A determination of the coupon size under HPD’s subsidy standards;
- A determination that an RSP participant is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under HPD’s subsidy standards (i.e., the family is “overhoused”), or HPD’s determination to deny the family’s request for an exception from the standards;
- A determination to terminate assistance for a participant family because of the family’s action or failure to act; and
- A determination to terminate assistance because the family has been absent from the assisted unit for longer than the maximum period permitted under HPD’s policy.

Informal hearings regarding termination of assistance will be conducted prior to terminating assistance if such informal hearing was properly requested within 30 days from the date printed on the Notice of Termination.

16.3.2 When an Opportunity for an Informal Hearing is Not Required

HPD is not required to provide an opportunity for an informal hearing in any of the following circumstances:

- Discretionary administrative decisions by HPD;
- General policy issues or class grievances;
- Establishment of the schedule of utility allowances for families in the program;
- HPD’s determination not to approve an extension or suspension of a coupon term;
- HPD’s determination not to approve a unit or tenancy;

- HPD's determination that a unit is not in compliance with HQS. However, HPD must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family;
- HPD's determination that the unit is not in accordance with HQS because of the family size; and
- HPD's determination to exercise or not to exercise any right or remedy against the owner under a Rental Assistance Contract.

16.3.3 Notification of Determination

For determinations of the family income, utility allowance, or unit size, HPD will notify the family that they may ask for an explanation of the basis of the determination, and, if the family does not agree with the determination, they may also request an informal hearing to contest the determination.

For certain determinations, that is the following: that 1) a family is residing in a unit with a larger number of bedrooms than is appropriate for the family size, 2) HPD's denial of a family's request for an exception from the subsidy standards, or 3) HPD's termination due to a family's action, failure to act, or absence from the unit for longer than the maximum period permitted, HPD will promptly notify the family in writing. The notification will include the following information:

- The proposed action or decision of HPD and its effective date;
- The procedures for requesting an informal hearing if the family does not agree with the decision;
- The time limit for requesting the informal hearing; and
- To whom the informal hearing request should be addressed.

16.3.4 Time Limits

All requests for informal hearings must be made in writing and received by HPD, either by mail or in person, within 30 calendar days from the date printed on the notice. HPD will not accept phone call requests for an informal hearing. If the participant does not request an informal hearing in accordance with these procedures, HPD's determination will become final.

HPD will attempt to schedule all informal hearings within 14 calendar days of receipt of the request. Requests to reschedule an informal hearing will only be considered for documented emergency situations.

16.3.5 Informal Hearing Procedures

The Hearing Officer will conduct the informal hearing. The Hearing Officer will be an HPD employee other than the person who made or approved the determination under review or a subordinate of that person.

The family or its representative may request, pre-informal hearing, to view HPD documents, including records and regulations relevant to the informal hearing. The family may make copies of any such documents at their own expense.

Before any informal hearing, HPD must be provided the opportunity to examine any family documents that are directly relevant to the informal hearing at its office. HPD must be allowed to copy any such document at its own expense. If the family does not make a document available for examination on request of HPD, the family may not rely on the document at the informal hearing.

The participant will be given the option of presenting oral and/or written objections to the determination in question. The family has a right to legal counsel or other representation at their own expense. Both HPD and the family will have the opportunity to present evidence and/or witnesses.

16.3.6 Issuance of Decision

The Hearing Officer will make a determination on whether the rule or regulation was correctly or incorrectly applied according to the information submitted at the informal hearing. A notice of the informal hearing findings will be provided in writing to HPD's Division of Tenant Resources and the participant within a reasonable period of time and will include a brief explanation of the reasons for the final decision.

All information concerning the informal hearing will be retained in the family's file.

16.3.7 Substitute Hearing Officer

When a Hearing Officer is unable to render a written decision after presiding over an informal hearing because of death, disability, or extended leave, or is unable to carry out their duties or because that Hearing Officer leaves HPD's employ, HPD will assign a substitute Hearing Officer to review the record. The record will include all testimony and evidence submitted at the hearing and either the audio recording or a written transcript of the hearing when available. The assigned substitute Hearing Officer will render a written decision based upon their review of the record and pursuant to the procedure prescribed in this Administrative Plan and HUD regulations and provide an explanation for the decision to HPD and the participant or applicant in writing.

16.3.8 Effect of Informal Hearing Decision

HPD is not bound by informal hearing decisions which:

- Concern matters in which HPD is not required to provide an opportunity for an informal hearing in accordance with 24 CFR Part 982.555(b);
- Contradict RSP regulations or requirements;
- Contradict federal, state or local laws; or
- Exceed the authority of the person conducting the informal hearing.

17 PROGRAM INTEGRITY

17.1 Preventing, Detecting, and Investigating Errors and Program Abuse

If HPD makes a determination that a family, owner or HPD employee has abused the program, HPD will take action to correct the situation. HPD may at any time deny program assistance to an applicant or terminate program assistance for a participant if a preponderance of the evidence shows that any family member has willfully and intentionally committed fraud, bribery, or any other corrupt or criminal act in connection with a federal housing program. HPD's actions will vary based on the nature and severity of the abuse.

Fraud and abuse can consist of either a single act or a pattern of actions made with the intent to deceive or mislead, and which constitutes a false statement, omission, or concealment of a substantive fact. Fraud and abuse result in the payment of program funds in violation of program requirements.

In determining whether a case of fraud or abuse exists, HPD must recognize the differences between unintentional and intentional misreporting. HPD must also evaluate the special circumstances and seriousness of a case to determine whether further investigation for evidence of fraud or abuse is required. For example, failure to report required information due to a lack of understanding may be considered an error or omission and not fraud or abuse. For owners, collecting a RAC payment for a vacated unit when the owner is not aware that the assisted family has vacated may also be considered an error or omission and not fraud.

Fraud allegations are received or discovered from many different sources. When information indicates that fraud may exist, the family and/or owner and/or HPD employee may be required to attend a conference to review the issue. HPD may work with the Inspector General's office at the Department of Investigation (DOI) to further investigate, either before or after a conference takes place. Referral to DOI does not prohibit HPD from making a decision to deny assistance to an applicant or terminate program assistance for a participant or owner.

17.2 Corrective Measures and Penalties

If an error has been made in determining family income, family share of the rent or family composition, HPD will promptly correct the error after notice to the family and the owner. For subsidy corrections, the notice will include an amendment to the Rental Assistance Contract. For changes in family size, the correction may require the family to move to a new unit. Unless the owner requires a new lease, execution of a new RAC is not required.

The specific corrective action that HPD takes depends upon the fault of the party in causing the error as more fully described below.

17.2.1 Family Payment Too High

- **Error or omission - Fault of HPD:** HPD will retroactively adjust RAP payments on behalf of families who have overpaid to ensure they receive they receive credits for any overpayments. Adjustments may be made from RSP reserve funds or administrative fees as appropriate. If the family owed the owner rent, HPD may choose to pay the amount due or a portion thereof directly to the owner on behalf of the family.
- **Error or omission - Fault of the family:** If the error is the fault of the family, HPD will not reimburse the family, but will process the change effective the first of the month following notification or discovery of the error or omission.

17.2.2 Family Payment Too Low

- **Error or omission - Fault of HPD:** If the family share of rent is incorrectly set too low, the family and the owner are not responsible for repayment. HPD in this instance will give the family and owner notice of the change in family and RAC payment share to be effective on the first of the month following a 30-day notice period.
- **Error or omission - Fault of the family:** If the family misrepresented their income and had no overpayment of subsidy, the family may sign a Statement of Understanding indicating that any additional instance of misrepresentation of income will lead to termination of subsidy. If the family had any subsidy overpayment as a result of misrepresentation of income, the family may be eligible for a repayment agreement (see Section 17.3.1 for eligibility criteria). HPD will not enter into a repayment agreement if the repayment amount is greater than \$5,000. If HPD elects to enter into a repayment agreement, HPD will notify both the owner and tenant of the tenant share and RAP payment share, and will develop a repayment agreement that addresses overpayment of subsidy as a result of misrepresentation of income. Failure of the family to abide by the terms of the repayment agreement may result in termination of assistance. See Section 17.3 for more information on repayment agreements. Any misrepresentation of income resulting in a subsidy overpayment at or over \$5,000 will result in termination of subsidy. Any additional instance of misrepresentation of income will lead to termination of subsidy.

17.2.3 Family Size

- **HPD error - Family receives a subsidy for a larger unit than the size of unit for which it is entitled:** HPD will encourage the family to move to an appropriately sized unit. If the family refuses to relocate or make a good faith effort to find alternative housing, HPD will adjust the payment standard for the family to the appropriately sized unit for which it qualifies. HPD will give proper notice to both the family and the owner of any change in subsidy, which will take effect at the next regular reexamination.

- **Misrepresentation by the family- Family receives a subsidy for a larger unit than the size of unit for which it is entitled:** HPD may terminate assistance, or, at its discretion, require the family to repay HPD for the total amount of overpayment due under the terms of a repayment agreement. If assistance is not terminated, HPD will adjust the subsidy to account for the new payment standard and provide the owner and the family with notification of the change.
- **Family receives a subsidy for a unit that is smaller than the size of unit for which it is entitled:** HPD will immediately notify the family and the owner of the error and issue the family a coupon for the correct unit size. If the current unit violates HQS space requirements and the family does not relocate within a reasonable period of time, HPD will terminate assistance.

17.3 Repayment Agreements

At HPD's discretion, repayment agreements may be executed with participants who owe HPD money as a result of current participation in a rental subsidy program. For example, if a family did not report an increase in family income, or is found, through third party verification to have a higher income than that reported by the family, HPD may calculate a retroactive payment for the full amount. However, HPD is not obligated to enter into a repayment agreement with any tenant and may terminate program assistance for a family's violation of their program obligations. Any second or repeated instance of a failure to report assets or income will result in termination of subsidy. HPD will not offer a repayment agreement following a case of repeated misrepresentation of assets. HPD may also refer the case to the Inspector General's Office of the Department of Investigation (DOI).

17.3.1 Repayment Agreement Eligibility Criteria

Households with a rental subsidy overpayment amount of \$5,000 or less, and those with a repayment period less than five years may be eligible for a repayment agreement as follows:

- If the family had any rental subsidy overpayment as a result of misrepresentation of income, the family may be eligible for repayment if the rental subsidy overpayment amount is \$5,000 or less. Any additional instance of misrepresentation of income will lead to termination of subsidy
- If the repayment period is five years or more, the family will not be eligible for repayment.

17.3.2 Rental Subsidy Overpayment and Repayment Amount Calculation

In determining the rental subsidy overpayment amount and the repayment period, HPD will use the corrected income that has been confirmed through a third party. At the time the third-party verification establishes the misrepresentation to have occurred ("the date of misrepresentation"), HPD will calculate the new accurate rental subsidy amount. The repayment agreement will be calculated as follows:

- The rental subsidy overpayment amount is the difference between the subsidy amount actually paid and the new corrected subsidy amount reflecting any misrepresented income since the misrepresentation of income was confirmed.

- The overpayment amount will be cumulative, and will be determined based on the period of time between the effective date of the certification when the income was misrepresented and the effective date of the first certification after the date of misrepresentation.
- The monthly repayment amount will generally be calculated as the difference between 30% of the family's adjusted income and 40% of the family's adjusted income. This adjusted income is the income reported in the first certification after the date of misrepresentation.
- Once the monthly repayment amount is established (see above), the repayment period will be determined based on how many months it will take to repay the subsidy overpayment amount. If the period is longer than 60 months, the family will not be eligible for a repayment agreement and will have their subsidy terminated.

If the tenant does not comply with a repayment agreement or fails to enter into a repayment agreement, HPD will terminate the tenant's program subsidy. If HPD determines that the family committed fraud, HPD may terminate assistance or require the family to repay the entire amount in full without a repayment agreement. HPD may refer the case for criminal prosecution through the Inspector General's Office at the (DOI).

Families will not be permitted to move to a new unit (unless in an emergency or required move scenario: see Sections 2.5.5 and 14.2) if they are in default of the terms of a repayment agreement, or fail to enter into a repayment agreement. HPD may also deny moves outside HPD's jurisdiction (ports) if the family is in default of or fails to enter into a repayment agreement.

HPD reserves the right to set payment conditions, including down payment amount, length of agreement, and monthly minimum payments.

18 PROGRAM ADMINISTRATION

18.1 Rental Subsidy Program Notices

HPD deems all RSP-related notices that are mailed through the U.S. Postal Service to have been received five calendar days after mailing unless the Postal Service returns the notice as undeliverable. HPD may also send some notices by certified mail.

18.2 HPD Employee Conflict of Interest

18.2.1 Solicitation or Acceptance of Gifts

In accordance with Chapter 68 of New York City's Conflict of Interest Law and the Commissioner's Memorandum regarding Conflicts of Interest:

HPD employees shall not solicit or accept anything of value from any person or entity doing business with HPD, except that employees may accept:

- Gifts that are customary on family and social occasions (such as a birthday or wedding), as long as the basis for the gift is close personal friendship and the entire circumstances indicate that there is no actual conflict or appearance of impropriety; and
- Invitations, meals, or travel expenses offered in connection with certain events, conferences, and meetings involving City business that may be considered gifts to the City and not to the individual employee.

HPD employees shall not solicit or collect any monetary or non-monetary donation or anything else of value (including, but not limited to, any campaign contribution or any donation of time or resources) on behalf of any person, entity, organization, candidate, or cause from any person or entity doing business with HPD.

Violation of the City's conflict of interest rules may result in demotion, suspension, or termination of employment. In addition, the Conflict of Interest Board may levy fines up to \$10,000 for each violation and recommend disciplinary action. Conflict of interest violations are punishable as misdemeanors under City law and can result in prosecution by the District Attorney's Office.

18.2.2 For Employees Applying for or Receiving Rental Subsidy Program Benefits

DTR employees must immediately report to their unit Director if they are applicants or participants in the HPD Rental Subsidy Program. They must also report if they own an assisted unit or have family members who receive RSP subsidy. If an HPD employee or contract worker has applied for or is receiving RSP assistance, or is a participating landlord, the following policy and protocol will apply.

- DTR employees or contract workers who are RSP tenants, relatives of HPD RSP tenants or participating landlords may work in DTR but may not work directly on their own cases or cases involving immediate family members. Immediate family members include a (step)parent, (step)child, grandparent, grandchild, or (step)sibling. HPD may at its discretion expand this prohibition to close friends

and expand definition of family members as needed on a case by case basis. This means that DTR employees or contract workers applying for RSP assistance may not process their own application, schedule their own briefing or be directly involved in the issuance of their coupon. For employees and contract workers already receiving assistance, they may not administer or process their own recertification. Employees and contract workers working in the HQS unit or in Code Enforcement may not perform any inspection for an apartment that they will rent, currently rent, or have ownership interest.

- The files of all employees and contract workers receiving HPD RSP assistance, participating as landlords, or family members of DTR staff members are administered by a special unit focused on quality assurance (the Quality Assurance, or QA, unit) to determine if there are any irregularities that affect the employee's or contract workers' program status.
- All applications for RSP assistance and recertifications from existing employees or contract workers must be reviewed and approved by a QA Unit Deputy Director or higher (or their designee) before assistance is awarded or the recertification is completed.

19 PROJECT BASED RENTAL ASSISTANCE

19.1 Introduction

This section of the Administrative Plan describes HPD's policies related to implementation of project based assistance. These general policies will be affected by the funding source for the rental assistance. Any deviations from the policies laid out in this chapter will be outlined in the relevant appendix.

Programs covered in this chapter include but are not limited to the NYC 15/15 Rental Assistance Program the Continuum of Care Shelter Plus Care (CoC SPC) program, and the Continuum of Care Moderate Rehabilitation Single-Room Occupancy (CoC Mod SRO) program. The tenant based and project based Housing Choice Voucher program policies are laid out in a separate Housing Choice Voucher Administrative Plan.

19.2 Applicability of Tenant-Based Rental Subsidy Program Policies to Project Based Rental Assistance Program

Except as otherwise noted in this chapter, or unless specifically prohibited by applicable project based program regulations, HPD's policies for the tenant-based voucher program described in this Administrative Plan will also apply to project based program administered by HPD. Any differences are outlined in this chapter and in program specific appendices.

19.3 Equal Opportunity

HPD will comply with all equal opportunity requirements under applicable federal, state and/or local laws and regulations in its implementation of the project based rental assistance programs, including the PHA Plan certification on civil rights and affirmatively furthering fair housing.

19.4 Eligible Unit Types

Project based rental assistance may be attached to existing housing or newly constructed or rehabilitated housing. A housing unit is considered an existing unit for purposes of a project based rental assistance program, if, at the time of notice of HPD selection, the units substantially comply with HQS.

19.4.1 Ineligible Unit Types

HPD will not attach project based rental assistance to shared housing units; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care; units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing.

HPD will not attach project based rental assistance to a unit occupied by an owner.

Acquisition of real property for a project based rental assistance project is also subject to the Uniform Relocation Act, 49 CFR part 24.

19.5 Selection of Project Based Rental Assistance Owner Proposals

Project proposals will be selected in a manner that is consistent with the guidance, rules and regulations provided by the funding source for the applicable program. The details will be described in the appendix outlining details for each program. Generally, selection criteria will include:

- Extent to which a project based rental assistance proposal promotes the goals laid out in Housing New York, A Five-Borough, Ten-Year Plan: New York City's affordable housing creation and preservation plan;
- Extent to which housing and supportive service needs of vulnerable households (households who are homeless, headed by a senior or disabled member) are met; and
- Extent to which rental assistance will facilitate project feasibility.

19.6 Existing and Rehabilitated Housing

HPD will not provide project based rental assistance for existing or rehabilitated housing until it has determined that the site and the proposed assisted units comply with housing quality standards.

19.7 New Construction Housing

In order to be selected for project based rental assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site.

19.8 Environmental Review

HPD activities under the project based rental assistance program will be conducted in conformance with New York City standards as described in the 2014 City Environmental Quality Review (CEQR) Technical Manual in accordance with Executive Order No. 91 and National Environmental Policy Act of 1969 (NEPA) as applicable. NEPA applicability will be described in the program related appendices.

19.8.1 Dwelling Unit Standards

The housing quality standards (HQS) for HPD's tenant-based program, including those for special housing types, generally apply to the project based rental assistance program. HQS requirements for shared housing, cooperative housing, manufactured

home space rental, and the homeownership option do not apply because these housing types are not assisted under the project based rental assistance program.

The lead-based paint requirements for the tenant-based voucher program will not apply to the project based rental assistance. 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 project based rental assistance program.

In addition to mandatory HQS standards, HPD may also identify the need for any special features on a case-by-case basis depending on the intended occupancy of the project based rental assistance project. HPD will specify any special design standards or additional requirements in the agreement to enter into rental assistance contract, and the rental assistance contract.

19.9 Accessibility

Housing provided with project based rental assistance must comply with the 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. HPD 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.

Housing first occupied after March 13, 1991, will comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable.

19.10 Inspections

19.10.1 Pre-Rental Assistance Contract

Upon notification of readiness and request by owner, HPD will inspect each contract unit before execution of the rental assistance contract. HPD will not enter into a rental assistance contract covering a unit until the unit fully complies with HQS.

19.10.2 Turnover

Before providing assistance to a new family in a contract unit, HPD will ensure the unit has passed an HQS inspection in the previous 12 months. HPD will not provide assistance on behalf of the family until the unit fully complies with HQS.

19.10.3 Biennial

At least biennially during the term of the rental assistance, HPD will inspect the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.

19.10.4 Other

In addition to pre-rental assistance, turnover and biennial inspections, HPD will inspect contract units as needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the RAC.

Inspections and follow-up procedures will be the same as those described in Chapter 8 of this plan.

19.11 Special Requirements for Newly Constructed or Rehabilitated Housing

This section describes specific requirements that apply to project based rental assistance for newly constructed or rehabilitated housing that do not apply to project based rental assistance for existing housing.

19.11.1 Agreement to Enter into Rental Assistance Contract

HPD will enter into an agreement to enter into a rental assistance contract (the ARAC) with the owner after determining that there is no over-subsidization of the project and before construction or rehabilitation work is started. At a minimum, the Agreement will describe the following features of the housing to be developed and assisted under the project based rental assistance program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Deadlines for completion of the housing;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by HPD, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.
- Requirement for submission of evidence of completion of work.

19.11.2 Labor Standards

If an Agreement for rental assistance covers the development of nine or more contract units (whether or not completed in stages) assisted with federal funds, the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The Agreement will cover requirements under this section. The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations.

19.11.3 Section 3 Requirements

The owner of a project based rental assistance project, if selected for federal subsidy, must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

19.11.4 Owner Disclosure

The Agreement and the rental assistance contract will include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the rental assistance contract, HUD or local laws and regulations.

Upon completion of construction, the owner must submit certifications to HPD in a form specified by HPD stating that:

- The work has been completed in accordance with HQS and all requirements of the Agreement; and

HPD may require owners to submit additional documentation as evidence of completion as needed on a case-by-case basis.

19.12 HPD Acceptance of Completed Units

Upon notification by the owner that the construction is completed, HPD will inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. HPD will also determine if the owner has submitted all required evidence of completion. If the work has not been completed in accordance with the Agreement, HPD will not enter into a rental assistance contract. If HPD determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, HPD will execute a rental assistance contract with the owner.

19.13 Rental Assistance Payment Contract

HPD will enter into a rental assistance contract for each project. The contract will specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building(s);
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The rental assistance contract term, which must be no less than one year and no more than 15 years, to be negotiated by HPD with the owner on a case by case basis and in accordance with applicable regulatory requirements;
- The initial rent to owner for the first 12 months of the rental assistance contract term.

Within one year before expiration of the rental assistance contract, HPD may extend the term of the contract for an additional term of up to 15 years or as limited by applicable regulations as described in program related appendices.

The rental assistance contract must provide that the contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the City of New York as applicable. For these purposes, sufficient funding means the availability of appropriations under the applicable funding source to make full payment of rental assistance payments payable to the owner for any contract year in accordance with the terms of the rental assistance contract.

If it is determined that there may not be sufficient funding to continue RAC payments for all contract units and for the full term of the contract, HPD may terminate the contract by notice to the owner. The termination must be implemented in accordance with HUD or other applicable funding source instructions.

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the contract term, the owner may terminate the contract by giving notice to HPD.

HPD will abate subsidy for non-compliance with HQS in accordance with the policies described in Chapter 8 of this plan. Project based assisted units that remain with subsidy abated for 180 days will be removed from the rental assistance contract.

The contract year is the period of 12 calendar months preceding each annual anniversary of the contract during the contract term. The initial contract year is calculated from the first day of the first calendar month of the rental assistance contract term. The annual anniversary of the contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular contract, even in cases where contract units are placed under the contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

19.14 Changes to the Rental Assistance Contract to Substitute, Add or Subtract Assisted Units

At HPD's discretion and subject to all program specific requirements as described in applicable appendices, the contract may be amended to substitute, add, or subtract different units in the same building for a previously covered contract unit. Before any such substitution can take place, the proposed unit(s) must pass a scheduled HQS inspection within two attempts and a review of rent reasonableness in order to be considered for inclusion in and addition onto the HAP contract. Any deviations from this process will be subject to HPD's discretion.

At HPD's discretion and subject to the restrictions on the number of dwelling units that can receive assistance per building and applicable program limits as described in the program specific appendices a contract may be amended for a project in good standing to add additional units in the project.

If any assisted units have been unsubsidized for 120 days, HPD may give notice to the owner that the contract will be amended to reduce the number of contract units that have been unsubsidized for this period. The amendment to the contract will be effective the first day of the month following the date of HPD's notice.

19.15 Vacancy Payments

Vacancy payment eligibility will be outlined in program related appendices. For eligible programs, HPD may, on a case-by-case basis, determine if the owner will be provided with vacancy payments. The contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments. The contract may provide for vacancy payments to the owner for an HPD-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding one month following the move-out month subject to the limitations and requirements detailed below. The amount of the vacancy payment will be determined by HPD 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).

HPD will only make vacancy payments if:

- The owner notifies HPD in writing within thirty calendar days certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by HPD to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by HPD and must provide any information or substantiation required by HPD to determine the amount of any vacancy payment.

If HPD determines that the owner is responsible for a vacancy and, as a result, is not entitled to either a vacancy payment or the right to keep the RAP payment for the month in which the family vacated the unit, HPD will notify the landlord of the amount of RAP payment that the owner must repay.

19.16 Occupancy of Assisted Housing

Applicants for project based rental assistance must meet the same eligibility requirements as applicants for HPD's tenant-based voucher program. Any difference will be outlined in the appendix for each project based rental assistance program. Sponsors of projects may be subject to additional restrictions on referral sources based on funding.

In addition, the following specific provisions apply solely to the project based rental assistance program:

In Place Family: An eligible family residing in a proposed project based rental assistance contract unit on the date the proposal is selected by HPD is considered an "in-place family." These families are afforded protection from displacement. However, they may be determined ineligible based on the program eligibility criteria. Criteria beyond those that apply to tenant-based assistance will be laid out in the applicable appendix. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on HPD's waiting list for project based rental assistance at the project. Household members who move in before a contract is signed may also be added to the waiting list if they meet program eligibility criteria. Once the family's continued eligibility is determined, the family will be given an absolute selection preference for rental subsidy over any other applicants for the project and unit and referred to the project owner for an appropriately sized unit in the project. This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date or those who have moved into the project between proposal selection and a Project-Based Rental Assistance contract (including the NYC 15/15 Rental Assistance Contract, or RAC, a contract executed by the Agency and Owner in accordance with NYC 15/15 program requirements) execution.

19.17 Leasing of Project-based unit

HPD will make rental assistance payments to the owner in accordance with the contract for contract units leased and occupied by eligible families during the contract term. Payments will begin on behalf of an assisted tenant after the following events:

- Unit has a Passed HQS Inspection;
- Tenant submitted all necessary documents to confirm income and program eligibility;
- Owner has submitted a lease with the rents determined by HPD.

The project-based rental subsidy effective date will be the 1st or 15th of the month following the latest of: current Rental Assistance Contract (RAC) or Project-Based Rental Assistance contract effective date; current lease effective date; or current HQS inspection pass date.

Participants leasing a project-based unit will not be required to submit a Request for Unit Approval (RFUA) to HPD as it is included in the application process.

19.18 Termination of Tenancy and Assistance

Termination of tenancy is an action taken by the owner. With two exceptions, the owner of a project-based rental assistance unit may terminate tenancy for the same reasons an owner may in the tenant based voucher program. The exceptions in project-based rental assistance programs are that 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.

Termination of assistance is an action taken by HPD based on the compliance with program requirement of the assisted tenant. Possible reasons for termination of assistance are described in Chapter 15 of this plan. Any deviation from those reasons is described in the appendix of related rental assistance program.

19.18.1 Tenant Absence from the Unit

Because project-based assistance is tied to the assisted unit, assistance may be terminated without a notice of pre-termination if the household is absent from the unit, which includes permanently leaving the assisted unit (relinquishing, abandoning, or being evicted from the unit) or any absence from the unit for more than 90 consecutive days. In these cases, HPD reserves the right to deny requests for reinstatement of subsidy.

The specific rules for absence from the unit will be addressed in the applicable appendix for each subsidy program.

19.19 Security Deposits

Security deposit policies vary by rental subsidy program and are detailed in the applicable appendix for each program.

19.20 Overcrowded Units

A family living in a unit that is overcrowded will not be eligible for assistance until the overcrowded condition is remedied. A family is overcrowded if there are more than two people per room including the living room.

19.21 Family Right to Move

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 HPD. The family will not be able to move with continued assistance under the project-based rental assistance program unless the owner approves their tenancy in another project-based rental assisted unit.

19.22 Rent to Owner

The rent to owner must not exceed the lowest of the following amounts:

- A rental cap determined by HPD or HUD, which varies by rental subsidy program. These caps are detailed in each applicable appendix;
- The reasonable rent;
- The rent requested by the owner.

Any other program specific rent limits will be outlined in the appendix associated with each program.

When determining the initial rent to owner, HPD will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the contract. When re-determining the rent to owner, HPD will use the most recently published FMR and the utility allowance schedule in effect at the time of re-determination. At its discretion and upon the owner's request, HPD may, for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the contract, or for re-determinations of rent, the 30-day period immediately before the re-determination date.

19.23 Rent Reasonableness

The reasonable rent of a unit receiving project-based rental assistance will be determined by comparison to rent for other comparable unassisted units. For locally rent regulated projects, HPD will not establish rent levels in excess of those approved by DHCR. When making this determination, HPD will consider factors that affect market rent. Such factors include the location, quality, size, type, and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner. HPD will determine reasonable rent before an agreement to enter into a rental

assistance contract is executed and again before rental assistance contract, unless otherwise specified in the appendix for the applicable program.

HPD will re-determine rent reasonableness when an increase in rent is requested.

For each unit, the comparability analysis will use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis will show how the reasonable rent was determined, including adjustments made to account for significant differences between the contract units and comparable unassisted units, and will be retained by HPD. The comparability analysis may be performed by HPD staff or by another qualified person or entity, provide that they do not have any direct or indirect interest in the property.

By accepting each monthly subsidy payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, HPD may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

19.24 Rent Increases

Rent increase request procedures and requirements for each project-based sub-program are outlined in the applicable appendices. The allowable amount of increase is determined by the regulations of each sub-program.

19.25 Utility Allowance and Utility Allowance Payments

The utility allowance schedule established for the Housing Choice Voucher program will apply to all rental subsidy programs. Program participants will not be eligible for Utility Allowance Payments that are re-imburements from the agency when the utility allowance is greater than the tenant share of rent.

19.26 Tenant Rights and Responsibilities

The following policies, described in previous sections of this Administrative Plan, do not apply, or apply differently to project-based sub-program applicants and participants as described below:

- Briefing: Applicants for project-based sub-programs are not required to attend and receive an oral and written briefing on their rights and responsibilities under their respective sub-programs as described in Section 7.1. Instead, HPD will mail new RSP tenants a welcome package that includes a written briefing upon their new admission into the RSP.
- Payment Standard: Unlike tenant-based sub-programs, HPD's payment standard as described in Section 7.2.8 does not apply to any project-based sub-programs. Contract rents exceeding the tenant based payment standard does not impact project-based RSP participants' tenant shares of the rent.
- Family Breakup: The family breakup policies outlined in Section 7.2.8 do not apply to project-based sub-programs. Because project-based subsidies are tied

to the unit, HPD will consider only the following in determining the action(s) to be taken in a case of family breakup:

- Program specific eligibility status of households remaining at the property;
- The household member(s) who maintain physical possession of the unit;
- The household member(s) who maintain legal possession of the unit; and
- Any VAWA claims made during, prior to, or after the family breakup occurred.

Appendix A: NYC 15/15 Rental Assistance Program

Appendix A provides a description of the NYC 15/15 Rental Assistance Program. The NYC 15/15 Rental Assistance Program is part of the NYC Supportive Housing Initiative that aims to fund and develop 15,000 new units of supportive housing in New York City over the next 15 years, 7,500 of which are anticipated to be congregate units, or units located in a building that is single-site supportive housing.

In connection with the NYC Supportive Housing Initiative, the City has committed several types of resources to ensure these units will be built and operated successfully. First, the NYC Human Resources Administration Agency (HRA) released the NYC 15/15 Congregate Request for Proposals (RFP) for the Provision of Congregate Supportive Housing (EPIN: 09617I0006) in February 2017. The goal of this RFP is to award funding to provide supportive services for the 7,500 congregate supportive units. In addition, in order to provide sustainable sources of construction HPD will award capital loans for construction. Finally, HPD will provide rental assistance pursuant to this NYC 15/15 Rental Assistance Program in order to ensure sufficient operating funds for these supportive housing units.

Eligibility of projects and policies governing the administration of the NYC 15/15 Rental Assistance Program are defined in this appendix, any associated contracts and regulatory documents. The NYC 15/15 Rental Assistance Program is a project based RSP sub-program. Except as noted below, the provisions of Chapters 1 through 19 of the Rental Subsidy Program (RSP) Administrative Plan apply.

Background

In November 2015, Mayor Bill de Blasio announced the NYC Supportive Housing Initiative to fund and develop 15,000 new units of supportive housing in New York City over the next fifteen years. This far reaching and comprehensive initiative targets the most vulnerable homeless New Yorkers in need of supportive housing. Supportive housing combines affordable housing with appropriate social services to help special populations, including individuals and families with serious mental illness (SMI) and substance use disorders (SUD).

The City's 15,000-unit plan, called NYC 15/15, is comprised of a projected 7,500 newly-developed congregate units and a projected 7,500 scattered-site apartments. HRA is the lead agency for procuring service awards for all 15,000 supportive housing units. Ongoing contract management will be provided by the NYC Department of Health and Mental Hygiene (DOHMH). HPD will administer the NYC 15/15 Rental Assistance Program to support congregate projects.

Eligible Unit Types

NYC 15/15 rental assistance may be awarded to supportive housing projects that have received an award for the HRA Provision of NYC 15/15 Congregate Supportive Housing service contract or another source of New York City Supportive Housing Initiative service funding at HPD's discretion. NYC 15/15 Rental Assistance Awards are intended for

congregate (single-site) units which should have kitchen facilities or access to kitchen facilities, bathroom, and storage for tenant clothing and personal items.

Projects must comply with HPD Design Guidelines for Multifamily New Construction and Senior Housing, Supportive Housing, or Preservation, as applicable. NYC15/15 is not subject to the URA and 49 CFR part 24, subpart B.

NYC15/15 Rental Assistance Units will have an HQS inspection prior to occupancy as defined in Chapter 8 and Chapter 19. The lead-based paint requirements for the tenant-based voucher program will not apply to NYC15/15. NYC Local Law 1 of 2004 requirements will apply.

Selection of NYC 15/15 Rental Assistance Proposals

Providers who have received an award for the HRA Provision of Congregate Supportive Housing Services may apply for NYC 15/15 Rental Assistance. Eligible owners of projects receiving NYC 15/15 Rental Assistance may be nonprofit organizations or partnerships between nonprofit and for-profit entities. Owner may also be the service provider or may partner with a service provider to deliver on-site services to tenants.

Provider should submit the application for the NYC15/15 Rental Assistance Program in addition to the HRA Provision of Congregate Supportive Housing preliminary award letter (together, the "Application Package") to NYC1515@hpd.nyc.gov. An HRA award letter does not guarantee award of NYC 15/15 Rental Assistance.

Projects will be evaluated in accordance with Section 19.5 of the Rental Subsidy Program (RSP) Administrative Plan. Additional selection criteria and the award process are as follows:

- 1) Application submission** – Following receipt of the HRA Provision of Congregate Supportive Housing preliminary award letter and at least six months prior to closing, owner submits NYC15/15 Application Package. Applications will be evaluated and awarded by HPD on a rolling basis until all congregate units under the HRA Provision of Congregate Supportive Housing RFP are awarded.
- 2) Project Selection** – Projects will be evaluated based on selection for HRA Provision of Congregate Supportive Housing award, project readiness, and financial feasibility of the project, specifically:
 - a. Evidence of the NYC15/15 HRA social service award letter
 - b. Consistency between the NYC 15/15 Rental Assistance Project Description and HRA Provision of Congregate Supportive Housing RFP Application in regard to building location, population, number of units, and relationship between Owner and Service provider
 - c. Projected construction closing timing, which should be within 12 months of application submission
 - d. Description of relationship and proposed agreement between property owner and service provider

- e. Extent to which NYC 15/15 Rental Assistance units address financing needs of project in providing supportive housing
- f. Commitment for capital financing from HPD based on respective loan program's evaluation of project underwriting, site control documentation, and other due diligence items.

When HPD is not making a loan to a project, applications for Rental Assistance will be evaluated on a case-by-case basis. HPD may request additional documentation for evidence of site control, ownership information, project feasibility, and committed financing sources. Projects may also be subject to an HPD regulatory agreement.

3) Preliminary commitment – If a project is selected for NYC 15/15 Rental Assistance, HPD will issue an award letter for rental assistance. Rental assistance would be provided for up to the number of units specified in the HRA Provision of Congregate Supportive Housing preliminary award letter. After the award, HPD will enter into an Agreement to enter into a Rental Assistance Contract (ARAC) if the following items are completed in addition to other requirements indicated on the ARAC:

- The proposed rent is determined reasonable by HPD
- Environmental review (to be completed by HPD, will include City Environmental Quality Review (CEQR))
- Eligible owner is ready to execute an ARAC prior to commencement of construction, and within six months of the date on an award letter

4) Agreement to enter into Rental Assistance Contract (ARAC) – For those projects selected for NYC 15/15 rental assistance before construction commencement, HPD and Owners will enter into an Agreement to enter into Rental Assistance Contract (ARAC) for the duration of the construction period at construction financing closing. Before executing the ARAC, HPD will review the project underwriting to ensure there is no over subsidization of the project. HPD reserves the right to periodically inspect the project during this term to ensure the work done is consistent with the design and construction specification submitted for any associated capital funding. These terms are defined in the Construction Contract that is associated with the capital funding received.

5) Project Completion - Approximately six months prior to project completion, owner should notify HPD about projected completion date. HPD will coordinate kick-off meeting to discuss the rent-up process and ongoing contract administration.

Upon award of Temporary Certificate of Occupancy (TCO) or Permanent Certificate of Occupancy (CO), owner may request a Housing Quality Standard (HQS) inspection of the NYC15/15 units. Once the building has passed inspection, owners will sign a Rental Assistance Contract (RAC) for the approved number of units.

Tenant Applications, Selections and Waiting List Management

Application Format

In addition to the required application information and verification documents described in Chapter 4 of this plan, applicants may fill out the Optional Supplement section on the NYC 15/15 Application. If DTR determines that a tenant application package is complete, DTR will accept the application and proceed with processing the application. There are no waitlists for the NYC 15/15 program. HPD will not accept more applications than there are available units under the program.

Privacy Rights

As NYC 15/15 is not a federally funded program, documents and policies differ slightly from those described in Sections 5.4 and 6.3.1 of this Plan. Applicants and participants (after admission), including all adults in their households, are required to sign NYC 15/15 Authorization for the Release of Information. This document describes the conditions under which HPD will release and/or share information on the household with RSP partner agencies. HPD's policy regarding the release of information is in accordance with state and local laws, which may restrict the release of family information. This form is valid for the duration of the applicant's participation in the NYC 15/15 program.

Applicant Eligibility

Occupancy of NYC 15/15 Rental Assistance Eligible Households

Eligible households will be able to apply as described in Chapter 5 of this plan. A significant difference with the NYC 15/15 program is that there is no income eligibility determination. Instead, eligibility is determined based on the criteria defined below:

Occupants of NYC 15/15 Rental Assistance Units will be referred in accordance with the guidelines provided in the service award. NYC 15/15 funding is available to provide project based rental assistance to eligible households meeting the following criteria:

- **Population Option 1** – Chronically homeless single adults or adult families with a head of the household who suffers from serious mental illness (SMI), has a substance use disorder including those who are actively using or have started their recovery process within the last 12 months or those who may have a co-occurring SMI and substance use disorder (SUD). All applicant and participant households assisted as part of this population must meet the definition of a disabled household.
- **Population Option 2** - Chronically homeless families with a Head of Household who suffers from serious mental illness (SMI), has a substance use disorder including those who are actively using or have started their recovery process within the last 12 months or those who may have a co-occurring SMI and SUD. All applicant and participant households assisted as part of this population will meet the definition of a disabled household.
- **Population Option 3** – Young adult individuals (ages 18-25 years) who are homeless or at risk of homelessness with high service utilization of Department of

Homeless Services (DHS), Dept. of Youth and Community Development – Runaway Homeless Youth (DYCD RHY), or Administration of Children’s Services (ACS) Foster Care and have risk factors including but limited to: duration and episodes of homelessness, health and/or behavioral health conditions, complex trauma, vocational/educational challenges, and other barriers to independent living.

- **Population Option 4** – Young adult families with children or pregnant women 18-25 where the Head of Household is homeless or at risk of homelessness with high service utilization of DHS, DYCD RHY, or ACS Foster Care and have risk factors identified in Population Option 3.

A “**chronically homeless**”¹ individual is defined to mean a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last three years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least seven nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven. Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual.

Serious mental illness is defined as having a mental illness diagnosis –DSM-5 psychiatric diagnosis other than alcohol or drug disorders, developmental disabilities, organic brain syndromes, or social conditions and one of the following:

- In receipt of (or eligible for) SSI/SSDI due to mental illness or
- Extended impairment in functioning due to mental illness, as evidenced by at least two of the following functional limitations over the past 12 months on a recurring basis:
 - marked difficulties in self-care;
 - marked restriction of Activities of Daily Living (ADL);
 - marked difficulties in maintaining social functioning;
 - frequent deficiencies of concentration resulting in failure to complete work/home/school tasks in a timely manner; or
 - reliance on psychiatric treatment, rehabilitation and supports

¹ A homeless individual with a disability who:

- Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter, AND
- Has been homeless and living in such a place for at least 12 months OR on at least 4 separate occasions in the last 3 years, as long as the combined occasions:
 - ≥12 months, AND
 - Each break in homelessness ≥ 7+ consecutive nights.

HUD Exchange (<https://www.hudexchange.info/resources/documents/Flowchart-of-HUDs-Definition-of-Chronic-Homelessness.pdf>)

A substance abuse disorder is a maladaptive pattern of substance use leading to clinically significant impairment or distress, as manifested by one (or more) of the following, occurring within a 12 month period: recurrent substance use resulting in failure to fulfill major role obligations at work, school or home; recurrent substance use in situations in which it is physically hazardous (e.g., driving an automobile or operating a machine when impaired by substance use); recurrent substance related legal problems (e.g., arrests for substance related disorderly conduct); or continued substance use despite having persistent or recurrent social or interpersonal problems caused or exacerbated by the effects of use.

Eligibility criteria will be verified by the Sponsor and appropriate City referral agency. The HRA 2010E Supportive Housing Application will be submitted with a program application certifying this eligibility. Occupants are not restricted to a minimum or maximum income to be eligible for a NYC15/15 unit.

Accommodations for Victims of Domestic Violence

NYC 15/15 is not a federal program; therefore, protections under the Violence Against Women Reauthorization Act of 2013 (VAWA) as described in Section 2.5 of this Plan do not apply. However, NYC 15/15 participants may request accommodations due to being a victim of domestic violence, dating violence, sexual assault, and/or stalking, as defined in Section 2.5.2 of this Plan. The policies and procedures for such accommodations are defined in this section. NYC 15/15 participants are not eligible for HPD Housing Choice Voucher (HCV) preference categories that are specific to applicants or participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking.

HPD will not terminate participants on the basis that they are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, if the participant is otherwise eligible for assistance. These protections are available to all eligible individuals and families without regard to actual or perceived sexual orientation, gender identity or marital status.

In cases of family break up that results from domestic violence, dating violence, sexual assault or stalking, HPD will exercise its authority to terminate assistance to a perpetrator and continue assistance to a victim. If the perpetrator was the Head of Household and remaining household members are not eligible for continued NYC 15/15 assistance, HPD must terminate subsidy to the ineligible household members after 120 days of continued subsidy. Policies related to how this is determined are outlined in the “Family Break-Up” section of this appendix. In the event that a perpetrator’s subsidy is terminated in order to transfer it to the victim, the perpetrator will not receive a separate subsidy.

This policy does not limit HPD’s authority to terminate the assistance of any participant if HPD can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance. HPD also retains the authority to terminate assistance for reasons not related to the participant’s status as a victim, including reasons listed in the “Denial and Termination of Assistance” section of this appendix and Chapter 15 of this Plan (except

those that are explicitly listed in the “Denial and Termination of Assistance” section of this appendix as being inapplicable to NYC 15/51).

Participants may request accommodations including: removing someone from the subsidy if they are no longer in the household; recalculating the tenant share of rent; transferring within their NYC 15/15 development or project; or transferring to another NYC 15/15 supportive housing project. Other accommodations may be approved at HPD’s discretion.

HPD will request a completed NYC 15/15 Domestic Violence Accommodation Request form from the participant. HPD may also request additional information as needed. Participants requesting accommodation may submit additional documentation to support their request including, but not limited to:

- Order of Protection (Criminal or Family Court);
- Hospital inpatient letter documenting assault;
- Documentation of custody of children in the household;
- Police report for domestic/criminal incident; and/or
- Advocacy letter from social service provider, NYC Administration for Children’s Services, medical professional, NY District Attorney, or US Attorney

If the participant receives a written request from HPD for additional information, the participant is given 30 calendar days from the date of the written request to provide such documentation. HPD has the discretion to deny accommodations to the participant if the request for additional third-party documentation is not received.

Verification

Interdependent Relationship

Third-party verification of interdependent relationship between NYC 15/15 household is not required. However, verification of custody will still be required for minor household members as described in Sections 6.3 and 7.2.

Family Assets

Only those applicants and participants whose total household assets exceed \$5,000 will be required to provide documents verifying assets at application and recertification. NYC 15/15 will not follow the three-year verification cycle as specified in Section 6.1 of this Plan.

Subsidy Standards and Coupon Issuance

The NYC 15/15 subsidy standard process follows Chapter 7 of this Plan except for the following differences:

Overhoused Applicants

Applicants who are overhoused will be permitted to lease up into the NYC 15/15 program only if they are already residing in the unit in question at the time of application.

These households will be offered opportunities to move within the development as soon as right-sized units become available. Applicants who are overhoused and proposed to move into an assisted unit after HPD has received an application will not have their tenancy approved.

Family Break-Up

If the Head of Household is no longer in the assisted unit due to having vacated the unit, eviction, death, or long-term absence, sponsors must notify HPD within 30 days of the Head of Household ceasing to reside in the assisted unit, to the best of their knowledge. HPD will subsequently notify the remaining household members that HPD is aware of the Head of Household's absence and inform them of their rights to remain subsidized for up to 120 additional days.

Any remaining household members will be able to remain subsidized up to 120 days after the date HPD notifies the family, assuming that the remaining household members continue to meet all NYC 15/15 Rental Assistance Program family obligations as outlined in the briefing that new participants will receive.

A remaining household member may only fully succeed to the NYC 15/15 rental subsidy—and remain subsidized beyond this 120-day period—if HRA verifies that they were qualified under one of the eligible populations for the NYC 15/15 program at the time they joined the household, subject to the project's service contract.

Housing Quality Standards

The Housing Quality Standard (HQS) policies outlined in Chapter 8 of this Plan apply to NYC 15/15, with the following exceptions.

At new admission, if the proposed NYC 15/15 unit is currently in HQS "pass" status, and the most recent HQS inspection passed within 12 months of the NYC 15/15 subsidy effective date, HPD will consider the unit to be in good standing with HQS requirements. The "pass" status will apply for the purposes of the applicant's new admission into the NYC 15/15 program, even if the inspection was conducted while the prior tenant was in occupancy. If the applicant is found eligible and is admitted into the program, a new HQS inspection will be conducted after subsidy begins (outside of the biennial HQS inspection cycle) to verify that the unit remains in good standing with HQS requirements.

No Access

NYC 15/15 units will generally follow the same enforcement policies for no access to the unit as described in Section 8.13 of this plan. However, when documented extenuating circumstances contribute to a tenant being unable to provide access to the unit, HPD may grant accommodations on a case-by-case basis; for example, additional time to provide access.

Tenant-Caused Failures

NYC 15/15 units will generally follow the same enforcement policies for tenant-caused failures as described in Section 8.17 of this plan. However, when documented extenuating circumstances contribute to a tenant being unable to correct failures, HPD

may grant accommodations on a case-by-case basis; for example, additional time to cure the condition.

Tenant Share and Subsidy Determinations

Tenant share determination under NYC15/15 will follow policies described in Chapter 5 and Chapter 10 of this Plan with the following exceptions.

Calculating Family Share

HPD's NYC 15/15 program does not have a minimum rent and therefore the minimum rent of \$50 described in Section 10.1 does not apply.

Adjustments to Income

Income adjustment policies as described in Section 5.1.2 of this Plan will apply to NYC 15/15 applicant and participant households, with the following exception:

NYC 15/15 applicants and participants eligible under Populations 1 and 2 will automatically be designated as disabled households and will therefore automatically receive the applicable allowance for elderly or disabled households described in Section 5.1.2.3. Applicants and participants households eligible under Populations 3 and 4 may receive disability allowance if they provide verification to HPD as described in Section 6.3.

Income from Full-Time Students

HPD will not include in annual income the earnings in excess of \$480 for each household member—including the Head of Household and Head of Household's spouse — who is a full-time student 18 years and older in the NYC 15/15 program. This exclusion will be available for up to two years per household member. HPD may approve an extension of this two-year cap per household member at its discretion. Any extension will require verification including but not limited to proof of current and/or prior course attendance and payment.

Imputed Welfare

HPD will not utilize imputed welfare for NYC 15/15 applicants and participants.

Utility Allowances

Utility allowances are established solely on the unit size of the unit selected by the family.

General Leasing Policies

General leasing policies described in Chapter 11 and in Chapter 19 of this Plan have been modified as described below under the NYC15/15 Program.

Initial Rent

The rent to owner must not exceed the lowest of the following amounts:

- An amount determined by HPD, not to exceed the published NYC 15/15 Rental Assistance Schedule (“Rent Schedule”) for the unit bedroom size minus any utility allowance;
- An amount determined to be reasonable;
- The rent requested by the owner;
- The maximum rent allowed for the unit under any applicable rent regulation.

The rent schedule is published in this Administrative Plan and on HPD’s website. The schedule for fiscal years 2019 through 2023 is as follows:

NYC 15/15 Rental Assistance Program Monthly Rent Schedule by Fiscal Year

UNIT SIZE	FY2019	FY2020	FY2021	FY2022	FY2023
Studio	\$1,407	\$1,435	\$1,463	\$1,493	\$1,523
One-Bedroom	\$1,476	\$1,506	\$1,536	\$1,567	\$1,598
Two-Bedroom	\$1,703	\$1,737	\$1,772	\$1,807	\$1,844
Three-Bedroom	\$2,187	\$2,231	\$2,275	\$2,321	\$2,367
Four-Bedroom	\$2,203	\$2,247	\$2,292	\$2,337	\$2,384

All initial rents must be registered in accordance with regulated rent registration procedures and requirements. The initial legal rent for any NYC15/15 assisted unit must be registered with HCR in accordance with any state or local Regulatory Agreement. The initial rent approved by HPD will be established as the preferential rent for the project.

Lease

Rent to owner does not include the cost of any meals, supportive services or furniture which may be provided by the owner. The owner may not require the tenant or family members to pay charges for any meals, supportive services or furniture which may be provided by the owner. Nonpayment of any such charges is not grounds for termination of tenancy. The owner may not charge the tenant extra amounts for items customarily included in rent to owner in the locality, or provided at no additional cost to unsubsidized tenants in the premises. However, participants may be charged for amenities in the building if such amenities are included in a lease or separate agreement, including, but not limited to, installation and use of an air conditioner in buildings where electricity is included in the rent.

Owners may not collect security deposits directly from NYC 15/15 tenants. On a project-by-project basis, HRA may provide security deposit vouchers to owners.

Family Move-out and Vacancy Payments

All NYC 15/15 contracts will allow for vacancy payments. To request and receive vacancy payments, the owner must follow the below procedures as outlined in Section 19.15 of this Plan:

- The owner notifies HPD in writing within 30 calendar days certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by HPD to verify that the owner is entitled to the vacancy payment.

The following procedure is required for owners to receive vacancy payments under the NYC 15/15 program, when applicable:

- The owner must notify HPD in writing within 30 calendar days if the Head of Household is no longer residing in the unit and identify the date when the Head of Household ceased residing in the unit (to the best of the owner's knowledge).
 - If there are any remaining household members, the owner must also notify HPD in writing within 30 calendar days after any remaining household members leave the assisted unit.

The owner must submit a request for vacancy payments in the form and manner required by HPD and must provide any information or substantiation required by HPD to determine the amount of any vacancy payment.

If any of the conditions listed above are not met, the owner is only eligible for payment for the month when the family moves out.

Moving with Continued Assistance

The project based move policy described in Section 19.21 applies to the NYC 15/15 program, with the following additional policies.

Family Right to Move

Ability to move with assistance, as described in Chapter 14 of the RSP Administrative Plan, does not apply to the NYC 15/15 Program. If a resident moves out of the assisted unit, they are no longer eligible for NYC 15/15 rental assistance, unless they are moving to another assisted unit in the development with HPD approval. If a tenant is interested in living in a more independent housing situation, the provider should work with the tenant to obtain assistance to move on with alternate subsidy if applicable.

Transfers may be permitted in extreme circumstances, subject to HPD approval, including the following:

- Fire or other emergency safety hazards in the unit
- Reasonable Accommodations for Persons with Disabilities, as described in Section 2.3 of this Plan

- Accommodations for victims of domestic violence, dating violence, sexual assault, or stalking, as described in the “Accommodations for Victims of Domestic Violence” section of this appendix

Transfers with NYC 15/15 assistance will only be permitted to NYC 15/15 units in projects that provide appropriate services for the household as determined by the supportive services contract and administering agency (such as the New York City Department of Health and Mental Hygiene).

Unit is Under RAP Abatement for 180 Days

If an NYC 15/15 assisted unit is under RAP abatement for HQS failures for more than 180 days, the project sponsor will be required to transfer the tenant to the next available appropriately sized contract unit. In addition, no request for a contract rent increase will be approved by any NYC 15/15 project with any unit(s) in RAP abatement, until the relevant HQS failures are cured.

Denial or Termination of Assistance

Ineligibility factors and reasons for denial or termination of subsidy for NYC 15/15 are outlined in Chapter 5 and Chapter 15 of the Rental Subsidy Program Administrative Plan. Below are ineligibility criteria, denial for assistance and termination of assistance reasons that do **NOT** apply to NYC15/15 tenants:

1. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
2. If any member of a household is subject to a lifetime registration requirement under a State sex offender registration program;
3. If no family member can establish either citizenship or eligible immigration status; (i.e., at least one member of the family must establish either citizenship or eligible immigration status, screening requirements for verifying immigration status or proration of subsidy for mixed families.)
4. If any family member owes any debt to HPD or another Public Housing Authority (unless debts are owed to HPD’s NYC 15/15 program, in which case NYC 15/15 tenants will be denied or terminated)
5. If the head of the household is a full-time student enrolled at an institution of higher education and is under the age of 24 and is not a veteran, is not married, does not have dependent children, is not residing with their parents in federally assisted housing, and is not a person with disabilities receiving federal assistance as of November 30, 2005;
6. If there has been an adverse termination from another PHA in the past (other than HPD’s NYC 15/15 program, in which case NYC 15/15 tenants will be denied or terminated);

Permissible Grounds for Denial

The following permissible grounds for denial as listed in Section 15.4.1 of this Plan do NOT apply to NYC 15/15:

1. If HPD has previously terminated Housing Choice Voucher, RSP or other assistance for any member of the family;
2. If the Head of Household has previously been terminated from a federal housing program for adverse termination reasons:
 - Criminal Activity – Drugs (within the past three years). See Drug Related Criminal Activity section 15.5.2;
 - Criminal Activity – Sex Offender (lifetime registration); or
 - Failure to Report Income;
3. If any member of the family listed on the application has been evicted from federally-assisted housing in the last five years;

Instead, the below reasons will apply:

- Applicants may be denied for adverse termination reasons such as fraud, or drug related 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.
- Persons terminated from HPD's NYC 15/15 program because of drug-related criminal activity are ineligible for re-admission to the program for a one-year period beginning on the date of such termination. However, the household may be re-admitted if, after considering the individual circumstances of the household, HPD determines that:
 - The household member who engaged in drug-related criminal activity provides proof of engagement in a supervised drug rehabilitation program or harm reduction program, the documentation of which has been approved by HPD; or
 - The circumstances leading to termination no longer exist because the household member who engaged in the activity is no longer a member of the family (due to death, incarceration or another documented situation).

Permissible Grounds for Denial and/or Termination

The following denial and/or termination reasons as listed in Section 15.4.2 of this Plan do NOT apply to NYC 15/15:

1. Any household member or guest engages in illegal use of a drug in the assisted unit;
2. Any member of the family commits drug-related criminal activity, or violent criminal activity;
3. The family currently owes rent or other amounts to HPD or another PHA in connection with Housing Choice Voucher, RSP, or public housing assistance under the Housing Act of 1937;
4. The family has breached a repayment agreement with HPD or another PHA;

Instead, the below reasons will apply:

1. Any member of the family commits drug-related criminal activity or violent criminal activity. HPD will take into consideration if the perpetrator household member is currently engaged in a drug treatment or harm-reduction program.

2. The family currently owes rent or other amounts to HPD for the NYC 15/15 program;
3. The family has breached a repayment agreement with HPD for the NYC 15/15 program;

Project Based Rental Assistance Modifications

Project based rental assistance policies as described in Chapter 19 of this Plan apply to the NYC15/15 program, except for the following differences.

Environmental Review Requirements

Environmental review is subject to restriction in Section 19.8 of this plan except that a National Environmental Policy Act of 1969 (NEPA) review is not required; instead, a City Environmental Quality Review (CEQR) will be required.

Labor Standards and Section 3 Requirements

Federal labor standards, Section 3 and owner disclosure requirements laid out in Section 19.11.3 of this plan do not apply to the NYC 15/15 Rental Assistance Program.

Rental Assistance Contract

In addition to the terms laid out in Section 19.13 of this Plan, HPD may not enter into a Rental Assistance Contract (RAC) or may terminate an existing RAC if:

1. Owner fails to perform or comply with any obligation defined in the ARAC or RAC;
2. If there is an ownership transfer without prior consent from HPD;
3. The Service Contract, or the award therefore, will be terminated by reason of the act or omission of Owner ***without a replacement service contract, or alternative plan to provide supportive services approved by HPD;***
4. Owner has made any false statement to the Agency in connection with the administration of the program;
5. Owner or any of its principals is charged with having committed a felony in an indictment filed in any federal or state court;
6. Owner is convicted of fraudulent activity related to housing subsidy; or
7. Persistent HQS failure that goes uncorrected for more than 180 days.

The RAC provides that the contractual commitment is subject to the availability of sufficient appropriated funding as determined by HPD. For these purposes, sufficient funding means the availability of appropriations, and of funding by OMB from such appropriations, to make full payment of RAP payments payable to the owner for any contract year in accordance with the terms of the RAC contract. If it is determined that there may not be sufficient funding to continue RAP payments for all contract units and for the full term of the RAC contract, HPD may terminate the RAC contract by at least 30 day notice to the owner.

Provided there is funding availability, within one year before expiration of the RAC contract, HPD may extend the term of the contract for an additional term of up to 15

years if HPD determines an extension is appropriate to continue providing supportive housing for eligible families. Subsequent extensions are subject to the same limitations.

The terms of transferring of the ARAC or ownership of the project are described in Section V of the ARAC and Section VI of the RAC. The owner may not assign or otherwise transfer this Agreement or any right or interest without prior consent from HPD. Prior to agency consent the following steps must be taken:

- i. the transferee and its principals submit disclosure forms needed by HPD to investigate the transferee and principals, and
- ii. the transferee executes a written assumption of the obligations of Owner under this Agreement.

The owner may terminate the RAC at any time with HPD with a minimum of a year notice to HPD. Owner along with the request for termination of the contract must provide to HPD a plan for minimizing displacement of assisted households.

Changes to RAC to Substitute, Add or Subtract NYC 15/15 Units

The policies for changing a RAC as outlined in Section 19.14 of this Plan apply to NYC 15/15 with the following addition:

At HPD's discretion and subject to all NYC 15/15 requirements, the RAC may be amended to substitute a different unit in the same building for a previously covered contract unit.

The overall size of HPD's NYC 15/15 program will also be a factor in determining whether a RAC may be amended to add additional NYC 15/15 units in a project. Such an amendment will be subject to satisfaction of all NYC 15/15 program requirements except that a new NYC 15/15 proposal is not required.

Rent Reasonableness Determinations

The reasonable rent of a unit receiving NYC 15/15 rental assistance will be determined by comparison to rent for other comparable unassisted units in accordance with Chapter 19 of this Plan. Chapter 9 applies to tenant based assistance and therefore does not apply to NYC15/15.

For locally rent regulated projects, HPD will not establish rent levels in excess of those approved by the New York State Division of Homes and Community Renewal (DHCR). When making this determination, HPD will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

HPD will determine reasonable rent before an ARAC is executed and again before a RAC is approved. HPD will re-determine rent reasonableness when an increase in rent is requested.

For each unit type on the contract, the comparability analysis will use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis will show how the reasonable rent was determined, including adjustments for any significant differences between the contract units and comparable unassisted units, and will be retained by HPD. The comparability analysis may be performed by HPD staff or by another qualified person or entity, provide that they do not have any direct or indirect interest in the property.

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, HPD may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

Rent Increases

Requests for a rent increase for project based rental assistance contract units must be made in writing by the owner 60 days prior to the annual anniversary date of the RAC. For NYC15/15, the owner may not request a rent increase that would exceed the Rent Schedule for the applicable fiscal year.

After a review of the following factors, HPD will make a determination of the approved contract rent based on:

- Rent reasonableness
- Whether the reasonable rent is at or below the current legal rent
- Within the NYC 15/15 maximum contract rent (based on the Rent Schedule)

In cases where the requested rent is not determined to be reasonable, rents will not be lowered beyond the last approved rent for the unit.

NYC 15/15 Glossary

Applicants: Households who have not yet been admitted to the program. Admission to the program is marked by the issuance of a rent breakdown letter to the tenant and owner and issuance of a payment to an owner.

Agreement to enter into a Rental Assistance Contract (ARAC): Executed between HPD and owners when a project is selected for rental assistance before construction commences. The term Agreement to enter into a Rental Subsidy Contract (ARSC) may appear throughout this Administrative Plan, and refers to the same document.

Agreement to enter into a Rental Subsidy Contract (ARSC): See *Agreement to enter into a Rental Assistance Contract (ARAC)*.

Contract Rent: The maximum monthly rent permitted to be collected by the owner for a contract unit.

Contract Units: The eligible units for which the owner will receive Rental Assistance Payments under the Rental Assistance Contract.

Disabled Household: The HUD definition of a disabled household or disabled family is as follows, according to 24 CFR 891.505:

1. Families of two or more persons the head of which (or their spouse or domestic partner) is a person with disabilities (handicapped);
2. The surviving member or members of any family described in paragraph (1) of this definition living in a unit assisted under 24 CFR 891, subpart E (Section 202 loans) with the deceased member of the family at the time of their death;
3. A single person with disabilities (handicapped person) over the age of 18; or
4. Two or more persons with disabilities (handicapped person) living together, or one or more such persons living with another person who is determined by HUD, based upon a licensed physician's certificate provided by the family, to be essential to their care or well-being.

Elderly Household: The HUD definition of a disabled household or disabled family is as follows, according to 24 CFR 891.505:

1. Families of two or more persons, the head of which (or their spouse) is 62 years of age or older;
2. The surviving member or members of a family described in paragraph (1) living in a unit assisted under 24 CFR part 891, subpart E (Section 202 loans) with the deceased member of the family at the time of their death;
3. A single person who is 62 years of age or older; or
4. Two or more elderly persons living together, or one or more such persons living with another person who is determined by HUD, based upon a licensed physician's certificate provided by the family, to be essential to their care or wellbeing.

Eligible Populations: In NYC 15/15, applicants and participants must fall under at least one of four populations to be eligible for rental assistance. These populations are

defined in the Applicant Eligibility section of this appendix, and are comparable to HPD's Preference Categories for HCV assistance.

Eligible Unit: A dwelling unit determined by the Agency to comply with Housing Quality Standards (HQS).

Existing Housing: Dwelling units in substantial compliance with Housing Quality Standards (HQS) on the Proposal Selection Date.

HQS: Housing Quality Standards. The minimum quality standards for a Contract Unit set forth in the Administrative Plan.

Initial Rent: The Contract Rent for the twelve (12) months following execution of a Rental Assistance Contract (RAC, which may also be referred to as an RSC in this Administrative Plan).

Initial Term: The initial term of the Rental Assistance Contract (RAC, which may also be referred to as an RSC in this Administrative Plan). For NYC 15/15, the initial RAC term shall be 15 years except as otherwise provided within a specific contract.

Legal Rent: The legal rent-regulated rent of a Contract Unit as registered with New York State Homes and Community Renewal (HCR).

Overhoused: The unit size that a family is eligible for is smaller than the unit they occupy or propose to occupy.

Participants: Households who have been admitted to the program. These are households for whom rental assistance has started.

Rental Assistance: Throughout this Administrative Plan, the terms rental assistance and rental subsidy are used interchangeably and refer to rental assistance provided to property owners for eligible households.

Rental Assistance Contract (RAC): A contract executed by the Agency and Owner in accordance with rental subsidy program requirements. The general term of Rental Subsidy Contract (RSC) may be used generally to refer to the same contract. Any reference to a RSC in Chapters 1 through 19 of this Administrative Plan, will generally be the same as RAC.

Rental Assistance Payment (RAP): The portion of contract rent paid to the owner by HPD. May also be referred to as an RSP payment or RAC payment.

Rental Assistance Schedule: The maximum subsidy amounts allowed for NYC 15/15 assisted units, also referred to as a Rent Schedule. Will be published in this Plan and on HPD's website.

Appendix B: Continuum of Care/Shelter Plus Care (CoC SPC) Program

Appendix B provides a description of the Continuum of Care/Shelter Plus Care (CoC SPC) program, and those provisions of the program that are distinct from those of project-based rental subsidy programs (RSPs) as described in Chapter 19 or of RSPs more generally as described in Chapters 1-18.

Background

The CoC SPC program is a federally funded rental assistance program, originally created in 1987 under the McKinney-Vento Homeless Assistance Act as the Shelter Plus Care (SPC) program. The Continuum of Care (CoC) incorporated the former SPC program and SRO Mod program, through the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

The CoC program is designed to promote a communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

The program is regulated and overseen by The United States Department of Housing and Urban Development (HUD), as well as the New York City Continuum of Care (NYCoC). HPD is the grantee and recipient of CoC project-based rental assistance grants for Permanent Supportive Housing (PSH). HPD administers these grants and enters into project-based rental assistance contracts with the not for profit subrecipients (sponsors) who operate the projects.

The NYCoC has adopted a local preference for 100% of all PSH CoC units to be reserved for chronically homeless (as defined in 24 CFR § 578.3) households, in accordance with HUD regulations (24 CFR § 578.93). All Heads of Household must be chronically homeless at initial move-in. Projects serving formerly homeless veterans and formerly homeless youth may admit eligible literally homeless applicants if there is documentation from the referring agency (HRA) that there are no eligible chronically homeless applicants to refer.

Selection of CoC SPC Projects and Initial CoC SPC Grant Periods

HUD provides funding annually for the CoC program on a competitive basis via Notices of Funding Availability (NOFAs) to individual grant recipients like HPD, which in turn contracts with subrecipients (sponsors) who operate Permanent Supportive Housing.

Program subrecipients (sponsors) seeking CoC funding for a proposed project must first apply to the NYCoC via an RFP that is issued annually around the time of the NOFA. Depending on the terms of the NOFA, the program subrecipient (sponsor) may be able to ask for an initial five-year term, but the NYCoC may approve the project for a shorter term. If selected by the NYCoC, HPD submits a new project application in the NOFA to HUD. If a grant awarded by HUD, the project must be renewed annually via the HUD

NOFA after its initial term (if more than one year). Initial grants may be defaulted by HUD if the project doesn't begin operations and funds are not used and drawn down from the grant within the timeframe outlined in the NOFA under which the grant was awarded. In addition to executing a CoC project-based rental assistance contract for the project, HPD may require other documents for the initial contract, such as a certified rent roll.

When HPD makes selections of projects for CoC SPC assistance, the requirements described in Section 19.17 that proposed projects and units in existing or rehabilitated housing must be determined to meet Housing Quality Standards (HQS) before selection or award will not apply. HQS will still be required for each individual CoC SPC unit before any tenant may begin receiving rental assistance in that unit.

Environmental Review Requirements

HPD activities under the CoC SPC program will be conducted in conformance with HUD environmental regulations at 24 CFR part 58 and 24 CFR § 578.31. HPD, the responsible entity, is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969, and will coordinate with CoC project subrecipients to complete them.

An environmental review is required for existing CoC SPC projects once every five years to determine environmental impacts of the project as well as compliance with environmental standards at the federal, state and local level. The level of review required will differ from project to project. HPD will coordinate with HUD and CoC SPC project subrecipients to complete these environmental reviews.

CoC SPC Project-Based Rental Assistance Contract and Grant Renewal

HPD may submit project applications to HUD via the NOFA to renew existing CoC SPC project-based rental assistance grants for one-year terms.

CoC SPC recipients' and subrecipients' performance is measured by several factors, including grant spending, matching of funds, housing stability of CoC SPC participants, and compliance with CoC SPC program rules and regulations. This performance will be used by the NYCoC to help determine ranking of renewals and funding amounts of new CoC SPC grants as submitted through HUD's annual Notice of Funding Availability (NOFA). Grants with patterns of significant underspending may be partially or fully reallocated by HPD and/or the NYCoC. The NYCoC, through its Steering Committee, may opt to not allow a project to be renewed due to several years of poor performance and underspending.

When HUD announces grant awards, HPD will inform subrecipients in writing of the new contract's operating period, new contract rents, and the funding awarded for the project's next grant period. Once HPD receives the grant agreement from HUD, it will issue a rental assistance contract to the subrecipient. This rental assistance contract must be executed and returned to HPD within five business days. HPD may require other documents as well, such as rent rolls.

Projects whose contracts and grants will be renewed will be provided with the project's maximum contract rents for the following grant period. Individual rent increase requests

must still be submitted as described in Section 9.2.4 for CoC SPC project subrecipients to collect this contract rent for an individual unit.

Applicant Eligibility

Applicants for HPD's CoC SPC program must be chronically homeless (as defined in 24 CFR § 578.3) households, in accordance with the NYCoC's local preference. All Heads of Household must be chronically homeless at initial move-in. Projects with subpopulations as indicated in the NOFA project application as serving formerly homeless veterans and youth, can accept literally homeless households if they have a letter from the referral agency stating that there are no eligible chronically homeless households to refer.

Third-party verification of interdependent relationship between CoC SPC household is not required. Verification of custody will be required for minor household members only.

HPD's Division of Tenant Resources (DTR) determines eligibility for the program by verifying factors required by federal, state and/or local law, regulations and applicable program rules.

Occupancy of CoC SPC Eligible Households

Eligible households will be able to apply as described in Chapters 4, 5 and 6 of this Plan. Selection of eligible applicants in addition to or replacing that chapter's criteria and the application process criteria of Chapter 4 are further defined below:

Application Referral and Submission

At HPD's DTR, HPD will collect application documentation as described in Chapters 4, 5 and 6 of this Plan with the following differences:

Application Referral

As described in Section 4.1, new CoC SPC applications will be referred to HPD's DTR by another HPD division (HPD Development's Policy & Rental Assistance Unit). Those new CoC SPC applicants will be referred to that program division through partnerships with city agencies such as the New York City Human Resources Administration (HRA) and the New York City Department of Homeless Services (DHS), as described in Section 1.1.

However, in addition to the provisions described above and in accordance with HUD requirements for the CoC SPC program, all prospective CoC SPC tenants will be referred to subrecipients (sponsors) for placement through a coordinated entry system according to their need for permanent supportive housing and for the specific supportive services offered in the CoC SPC project. These referrals are currently made through HRA's Coordinated Entry and Placement System (CAPS). CAPS prioritizes referrals based on households' needs for the type and level of services provided at the CoC SPC project. Tenant placements are administered through HRA's Placement Assistance and Client Tracking (PACT) system.

Applications should be submitted to HPD within 30 days of the tenant moving into the assisted unit.

Age of Verification Documents

The 60 day eligibility period for verification described in Section 6.2 does not apply for CoC SPC tenants. Verification documents are usable for up to one year from the date on the document until the time that the document is received by HPD's DTR.

Denial and Termination of Assistance

Ineligibility factors and reasons for denial or termination of subsidy for CoC SPC are outlined in Chapter 5 and Chapter 15 of this Plan.

In accordance with federal regulations for all permissible grounds for termination of assistance, HPD will terminate subsidy only in the most severe cases. Where appropriate and applicable, HPD staff may seek assistance from or engage on-site supportive services staff, or other relevant parties, such as the social service contracting agency, to assist tenants before terminating subsidy in order to ensure that subsidy is terminated only in the most severe cases.

Permissible Grounds for Denial

The following permissible grounds for denial as listed in Section 15.4.1 of this Plan do **NOT** apply to CoC SPC tenants:

1. Income eligibility—the CoC SPC program has no household income limit. However, households must still be eligible to receive HAP payments in their unit based on their adjusted household income and gross rent for their unit.
2. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
3. If any member of a household is subject to a lifetime registration requirement under a State sex offender registration program;
4. If any family member owes any debt to HPD or another Public Housing Authority (PHA);
5. If there has been an adverse termination from another PHA in the past.

Permissible Grounds for Denial and/or Termination

The following denial and/or termination reasons as listed in Section 15.4.2 of this Plan do **NOT** apply to CoC SPC tenants:

1. Income eligibility—the CoC SPC program has no household income limit. However, households must still be eligible to receive HAP payments in their unit based on their adjusted household income and gross rent for their unit. In other words, as long as the rent is more than the household's share of the rent, they are income eligible for the CoC SPC program.
2. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
3. If any member of a household is subject to a lifetime registration requirement under a State sex offender registration program;
4. If any family member owes any debt to HPD or another Public Housing Authority (PHA);

5. If there has been an adverse termination from another PHA in the past;
6. If any household member or guest engages in illegal use of a drug in the assisted unit;
7. If any member of the family commits drug-related criminal activity, or violent criminal activity;

Instead, the below reason **WILL** apply:

1. Any member of the family commits drug-related criminal activity or violent criminal activity. When determining whether or not to deny or terminate, HPD will take into consideration: if the perpetrator household member is currently engaged in a drug treatment or harm-reduction program; the seriousness of the offending action; the risk posed by the perpetrator household member to the health, safety, or right to peaceful enjoyment of the premises by other residents; the effect that eviction of the entire household would have on family members not involved in the criminal activity; and the extent to which the Head of Household has taken all reasonable steps to prevent or mitigate the criminal activity. HPD will consider all information that can be collected through a reasonable effort.

Below are ineligibility criteria and denial of assistance and termination reasons that **DO** apply to CoC SPC tenants and are not outlined in Chapter 5 and Chapter 15:

Mandatory Reason for Denial:

1. If the head of household does not meet HUD's criteria of "chronic homelessness," including either duration of homelessness and/or qualifying disability, at the time of original move-in into the CoC SPC unit. The NYCoC has adopted a local preference for 100% of all Permanent Supportive Housing (PSH) CoC units to be reserved for chronically homeless (as defined in 24 CFR § 578.3) households, in accordance with HUD regulations (24 CFR § 578.93). Therefore, Heads of Household that are not chronically homeless as determined by the program division at initial move-in are not eligible for CoC SPC assistance as they do not meet the local preference criteria for the CoC SPC program as described in Chapter 3. As per CPD Notice 16-11 Section III A 3, if there are no eligible chronically homeless persons fitting the targeted subpopulation, the project may accept eligible households meeting the relevant targeted subpopulation for the supportive services of the project in question, in accordance with an established order of priority.

This criterion does not apply to participants moving through an approved transfer, or who were terminated for "no rent hardship" and now have a rent burden greater than 30% of their income.

If a household was previously terminated for "no rent hardship" but is determined eligible for HAP payments based on a new recertification package and a new HQS inspection, and if there is either a unit remaining on the CoC SPC contract or able to be added, that household will receive subsidy under the CoC SPC program.

Mandatory Reason for Termination:

1. If the household is absent from the assisted unit for over 90 consecutive days for any reason, including hospitalization, incarceration, or other reasons beyond the control of the head of household.
 - a. As authorized by HUD guidance, although HPD must terminate subsidy after 90 consecutive days of absence, if the household returns to the assisted unit within more than 90 but no less than 180 consecutive days of absence, HPD may reinstate the CoC SPC subsidy, effective the date that the tenant returned to the unit. No subsidy will be reinstated if the assisted unit has been removed from the CoC SPC contract or grant.
2. If the Head of Household (known as the “qualifying member” under HUD regulations, or the household member who is eligible for the supportive services offered in the CoC SPC development) permanently leaves the household (dies, vacates (abandons or voluntarily relinquishes) the assisted unit, is evicted from the assisted unit, or is absent from the assisted unit for more than 90 days) and
 - 1) there are remaining household members in the assisted unit who do not independently qualify for CoC SPC assistance (including literal homelessness at the time of move-in); and 2) the lease expires that was in effect as of the date the head of household died, vacated, or was absent for more than 90 days.
 - a. This means that remaining household members may only “succeed” to the CoC SPC assistance permanently if they independently qualify for CoC SPC assistance. If there are no qualifying members of the household, then CoC SPC assistance must end at the expiration date of the lease that was in effect as of the date on which the Head of Household left the assisted unit under one of the above circumstances.

Informal Hearings

In addition to the policies laid out in Chapter 16, in order to ensure that CoC SPC subsidies are terminated only in the most severe cases, participants whose subsidies were terminated, failed to request an informal hearing successfully or in a timely manner, and remain in the assisted unit may submit a Request for Reasonable Accommodation for HPD to consider reinstating their CoC SPC subsidy if a medical condition or disability prevented them from meeting their family obligations or properly requesting an informal hearing. For more information on Reasonable Accommodations, refer to the section below entitled “Reasonable Accommodations.”

Housing Quality Standards (HQS)

The Housing Quality Standards (HQS) provisions described in Chapter 8 of this Plan apply to the CoC SPC program, with the exception that regular inspections are conducted annually rather than biennially.

Rent Calculation

When determining the total tenant payment (TTP) for CoC SPC participants, HPD will not include the \$50 minimum rent listed in Section 10.1, in accordance with 24 CFR § 578.77(b).

Utility Allowances

Utility allowances are established solely on the unit size of the unit selected by the family.

Leasing of Contract Units

The procedures for leasing described in Chapters 9 and 11 apply to the CoC SPC program, with the exception that project subrecipients (sponsors) may not collect security deposits from CoC SPC participants. However, security deposits may be obtained through other sources such as HRA.

HAP Payments and CoC SPC Grant Periods

HPD generally makes HAP payments for CoC SPC participants as described in Section 11.3.1 (with HAP and RAC being analogous, in terms of payment processing). However, because the CoC SPC program is a grant-based program, HPD must draw funds from HUD for eligible HAP payment made under the relevant CoC SPC grant. This also means that HAP payments cannot be made to a CoC SPC owner for any period outside of that project's current grant period, even if that payment is otherwise rightfully due to the owner, because HPD cannot receive the funding for those payments from HUD by drawing those grant funds down from HUD. However, HPD must still recoup or collect any overpayments of HAP made to a CoC SPC project subrecipient (sponsor) in order to return those payments to the United States Treasury.

The sole exception to this rule preventing HPD from making payments outside of grant periods is that HAP payments may be issued and drawn from the project's CoC SPC grant for a grant period within 90 days of the expiration of that grant period in accordance with 24 CFR parts 84 and 85, and with 24 CFR § 578.109. In order to ensure that grant funding for all HAP payments made is able to be received by HUD and all HAP payments made are able to be drawn down from the Continuum of Care grant with HUD for the applicable grant period, HPD reserves the right to set cutoff periods or dates for submission of documents by owners or tenants, or issuance of HAP payments by HPD that are less than 90 days after grant expiration, after which no payments will be made for prior grant periods.

Vacancy Payments

HPD will determine on a case-by-case basis whether a CoC SPC grant subrecipient may request or receive vacancy payments, and may consider grant performance and spending in doing so. To be considered, vacancy payments must be authorized for a grant, a CoC SPC project owner or management company must be eligible for these payments under Section 19.15, and requests must be submitted in a timely and complete manner. HPD may not approve any vacancy payment for more than one month of the HPD Housing Assistance Payments (HAP) share of the rent that was in effect as of the vacancy date.

For an owner to be eligible to receive a vacancy payment, HPD must receive both notification of a vacancy and a request for vacancy payment within 30 days of the vacancy date, and the subrecipient (sponsor) must certify that they have not rented and will not be able to rent the unit to another tenant by the end of the month following the vacancy date.

Reasonable Accommodations

The ability to move with assistance as described in Chapter 14 of this Plan does not apply to the CoC SPC program. If a resident moves out of the assisted unit, they are no longer eligible for CoC SPC rental assistance, unless they are moving to another assisted unit in the development. However, under certain circumstances, such as an approved reasonable accommodation for a household member with a disability or under the Violence Against Women Act (VAWA) as described in Chapter 2, a resident may, with HPD approval, transfer to an available CoC SPC unit within HPD's jurisdiction. Refer to Chapter 2, Section 3 for more information on how to request a reasonable accommodation. Please note that, unless the disability is immediately apparent, a reasonable accommodation request must include medical documentation and an explanation of how the requested accommodation is linked to the medically documented disability. HPD may deny a request if it poses an undue administrative burden to the agency or propose an alternate accommodation. Applicants and participants may refuse any alternate accommodation offered by HPD if their original request cannot be accommodated or may modify their original request, but this may lead to requests for additional documentation, conferences, and denial by HPD because of the burden of managing a series of participant requests and modifications. If a tenant is interested in living in a more independent housing situation, the provider should work with the tenant to obtain assistance to move on with alternate subsidy if applicable and if the other subsidy is available.

Changes to CoC SPC Project-Based Rental Assistance Contracts to Substitute, Add, or Subtract CoC SPC Units

At HPD's discretion and subject to all CoC SPC requirements, the CoC SPC project-based rental assistance contract may be amended to add, remove, or substitute units (i.e., remove a unit on the contract and add, in its place, a different unit in the buildings that are under the contract). Before a substitution can take place, HPD must inspect the proposed added unit and conduct a rent reasonableness study for the unit.

Rent Increases

Project-wide contract rents for CoC SPC projects will be determined annually after HUD announces awards from the NOFA and will be subject to rent reasonableness determinations, as described in Section 9.2. After this rent determination following the HUD NoFA award announcements, subrecipients (sponsors) must then submit individual rent increases requests for each CoC SPC unit, all of which will be subject to an individual rent reasonableness review.

Appendix C: Continuum of Care Moderate Rehabilitation Single-Room Occupancy (CoC Mod SRO) Program

Appendix C provides a description of the Continuum of Care Moderate Rehabilitation Single-Room Occupancy (CoC Mod SRO) program, and those provisions of the program that are distinct from those of project-based rental subsidy programs (RSPs) as described in Chapter 19 or of RSPs more generally as described in Chapters 1-18.

Background

The CoC Mod SRO program is a federally funded rental assistance program, originally created in 1987 under the McKinney-Vento Homeless Assistance Act as the Mod SRO program to support the repair, rehabilitation, and affordability of multifamily housing through long-term Housing Assistance Payments (HAP) contracts, and further to provide rental assistance to homeless individuals in rehabilitated single-room occupancy (SRO) housing. The program is regulated and overseen by HUD, as well as the New York City Coalition on the Continuum of Care (NYCoC), with individual HAP contracts administered by HPD.

The Continuum of Care (CoC) incorporated the former Section 8 Moderate Rehabilitation Single-Room Occupancy (Mod SRO) program, along with the Shelter Plus Care (SPC) program, through the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.

No new CoC Mod SRO awards are made by HUD and no new contracts are issued by HPD. All CoC Mod SRO projects administered by HPD are project-based CoC Permanent Supportive Housing (PSH) projects.

Selection of CoC Mod SRO Projects

No new CoC Mod SRO awards for new projects are made by HUD, and no new HAP contracts for new projects are issued by HPD. The CoC Mod SRO program is comprised of existing projects with annual HAP contract renewals.

Environmental Review Requirements

HPD activities under the CoC Mod SRO program will be conducted in conformance with HUD environmental regulations at 24 CFR part 50 and 24 CFR § 578.31. HPD, the responsible entity, is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969, and will coordinate with CoC Mod SRO project subrecipients (sponsors) to complete them.

An environmental review is required for existing CoC Mod SRO projects once every five years to determine environmental impacts of the project as well as compliance with environmental standards at the federal, state and local level. The level of review required will differ from project to project. HPD will coordinate with CoC Mod SRO project subrecipients (sponsors) to complete these environmental reviews.

Housing Assistance Payments (HAP) Contract Renewal

HPD may renew existing CoC Mod SRO HAP contracts for one-year terms. No current CoC Mod SRO projects administered by HPD have HAP contracts in their initial terms. Prior to the expiration date of a current CoC Mod SRO HAP contract, HPD will inform the project owner or management in writing of 1) the contract expiration, 2) whether HPD will offer a contract renewal, and (if a renewal will be offered) a Renewal of HAP Contract form that must be executed by both the owner and HPD prior to contract expiration. The executed Renewal of HAP Contract form must also be returned with any other documents required by HPD such as a completed and certified rent roll on HPD template by the deadline provided by HPD and/or HUD.

The written notice will also include the applicable Operating Cost Adjustment Factor (OCAF) published by HUD that may be applied to increase existing CoC Mod SRO contract rents at renewal, subject to legal rent restrictions and a rent reasonableness determination. For more information, please refer to Rent Increases.

CoC Mod SRO HAP Contract Opt-Out, Conversion, and Noncompliance with HAP Contract Renewal

HUD has established guidelines for projects whose HAP contracts will not be terminated by either the request of the owner or administering Public Housing Authority (PHA) or by HUD enforcement action. The termination of a CoC Mod SRO HAP contract is referred to as an “opt-out” housing conversion action. In all circumstances or scenarios of an opt-out, all existing residents in units under CoC Mod SRO HAP contract—whether or not they are current program participants—are afforded protections including:

1. A minimum of one year’s written notice from both the owner and the PHA before the CoC Mod SRO HAP contract terminates, in cases where the CoC Mod SRO HAP contract is terminated at owner or PHA request;
2. The “right to remain” at the project and receive lease renewals without termination other than for good cause, so long as the project continues to be used as rental housing; and
3. The right to receive continuous rental assistance administered by a PHA that protects the tenant share of rent at the time of opt-out, should the household be eligible for and comply with the program requirements of such assistance
 - a. Such assistance may include Section 8 Housing Choice Vouchers (HCVs), Enhanced Vouchers (EVs) or Project-Based Vouchers (PBVs) under the Rental Assistance Demonstration (RAD) program, depending on the circumstances of the opt-out or conversion.

These guidelines are established in HUD PIH Notice 2001-41 and PIH Notice 2019-23, among other documents. Noncompliance with the HAP contract renewal process, such as failing to execute a CoC Mod SRO HAP Contract Renewal form and return it to HPD prior to the current HAP contract’s expiration, does not constitute a termination of the CoC Mod SRO HAP contract under the provisions of the most recent HAP contract executed by the owner and the applicable federal regulations issued by HUD that govern the CoC Mod SRO HAP contract and CoC Mod SRO rental subsidy program. Under the terms of the CoC Mod SRO HAP contract (Section 9 of renewal contracts: Notice), if an owner fails to follow these requirements for opting out of a Mod SRO HAP contract, that

owner will not be entitled to increase any tenant rents until the contract has been properly terminated, including one year's notice provided to tenants.

Similarly, because tenants are afforded protections in any scenario of CoC Mod SRO HAP contract renewal or termination by any party or administering agency, noncompliance with contract renewal does not remove or diminish any tenant protections or rights, such as responsibility only for the tenant share of rent as set by the PHA, of CoC Mod SRO participants under the program.

Owners interested in opting out of the CoC Mod SRO program and terminating their HAP contract should notify HPD of this intention in writing prior to the effective date of the final HAP contract renewal that will be executed under the CoC Mod SRO program. HPD will then meet with the project owner and/or management to discuss the housing conversion process and work with the owner to ensure that all conversion requirements are met. All owners must be in good standing with their CoC Mod SRO HAP contract requirements for HPD to approve the contract termination and conversion, and owners converting their CoC Mod SRO HAP contract to a PBV HAP contract under the Rental Assistance Demonstration (RAD) program must apply directly to HUD and receive HUD approval before conversion.

In the event of owner noncompliance with the CoC Mod SRO HAP contract renewal process, HPD may take enforcement actions against the project owner. These actions may be taken before or after the expiration of the latest or most current executed CoC Mod SRO HAP contract renewal. Such enforcement action includes, but is not limited to:

1. Suspension of HAP payments for current program participants and new program applicants, including those who apply directly with HPD
2. Rejection of rent increase requests by the project owner or management
3. Reporting of the project owner or management to HUD or other entities such as the New York City Department of Investigation (DOI)

Occupancy of CoC Mod SRO Eligible Households

Eligible households will be able to apply as described in Chapter 5 of this Plan. Selection of eligible applicants in addition to or replacing that chapter's criteria and the application process criteria of Chapter 4 are further explained below:

Application Referral and Submission

HPD's Division of Tenant Resources will collect application documentation as described in Chapter 5 of this Plan with the following differences:

Application Referral

As described in Section 4.1, new CoC Mod SRO applications will be referred to HPD's DTR by another HPD division (program division), and those applicants will be referred to that program division through partnerships with other city agencies such as the New York City Human Resources Administration (HRA) and New York City Department of Homeless Services (DHS) as described in Section 1.1.

However, in addition to the provisions described above and in accordance with HUD requirements for the CoC program, all prospective CoC Mod SRO tenants will be referred to sponsors for placement through a coordinated entry system according to their

need for permanent supportive housing and for the specific supportive services offered in the CoC Mod SRO project. These referrals are currently made through HRA's Coordinated Entry and Placement System (CAPS). CAPS prioritizes referrals based on households' needs for the type and level of services provided at the CoC Mod SRO development. Tenant placements are administered through HRA's Placement Assistance and Client Tracking (PACT) system.

Age of Verification Documents

The 60 day eligibility period for verification described in Section 6.2 of this Plan does not apply for CoC Mod SRO tenants. Verification documents are usable for up to one year from the date on the document until the time that the document is received by HPD DTR.

Family Ineligibility

Ineligibility factors and reasons for denial or termination of subsidy for CoC Mod SRO are outlined in Chapter 5 and Chapter 15 of the Rental Subsidy Program Administrative Plan.

Below are ineligibility criteria, denial for assistance and termination of assistance reasons that do **NOT** apply to CoC Mod SRO tenants:

1. Income eligibility—the CoC Mod SRO program has no household income limit. However, households must still be eligible to receive HAP payments in their unit based on their adjusted household income and gross rent for their unit. In other words, as long as the rent is more than the household's share of the rent, the household is income eligible for the CoC Mod SRO program.
2. If any family member has ever been convicted of manufacturing or producing methamphetamine on the premises of federally-assisted housing;
3. If any member of a household is subject to a lifetime registration requirement under a State sex offender registration program;
4. If any family member owes any debt to HPD or another Public Housing Authority;
5. If there has been an adverse termination from another PHA in the past;
6. If any household member or guest engages in illegal use of a drug in the assisted unit;
7. If any member of the family commits drug-related criminal activity, or violent criminal activity;

Below are ineligibility criteria, denial of assistance and termination reasons that **DO** apply to CoC Mod SRO tenants and are not outlined in Chapter 5 and Chapter 15 of the Plan:

1. Any member of the family commits drug-related criminal activity or violent criminal activity. When determining whether or not to deny or terminate, HPD will take into consideration: if the perpetrator household member is currently engaged in a drug treatment or harm-reduction program; the seriousness of the offending action; the risk posed by the perpetrator household member to the health, safety, or right to peaceful enjoyment of the premises by other residents; the effect that eviction of the entire household would have on family members not involved in the criminal activity; and the extent to which the Head of Household has taken all reasonable steps to prevent or mitigate the criminal

- activity. HPD will consider all information that can be collected through a reasonable effort.
2. If the Head of Household does not meet HUD's criteria of "literal homelessness" at the time of original move-in into the CoC Mod SRO unit
 - a. Accordingly, CoC Mod SRO participants whose rental subsidies are terminated would not be eligible to reapply for CoC Mod SRO rental assistance as they would no longer meet the eligibility criteria of literal homelessness.
 - i. However, participants whose subsidies were terminated, failed to request an informal hearing successfully or in a timely manner, and remain in the assisted unit may submit a Request for Reasonable Accommodation for HPD to consider reinstating their CoC Mod SRO subsidy if a medical condition or disability prevented them from meeting their family obligations or properly requesting an informal hearing.
 - b. This criterion does not apply to transfers of current CoC Mod SRO participants into other CoC Mod SRO units.
 - c. This criterion does not apply to participants who were terminated for "no rent hardship" and now have a rent burden greater than 30% of their income. If a household was previously terminated for "no rent hardship," but is determined eligible for HAP payments based on a new recertification package and a new HQS inspection, and if there is either a unit remaining on the CoC contract or able to be added, that household will receive subsidy under the CoC Mod SRO program.
 3. If the household is absent from the assisted unit for over 90 consecutive days for any reason, including hospitalization, incarceration, or other reasons beyond the control of the Head of Household.
 4. If the Head of Household (known as the "qualifying member" under HUD regulations, or the household member who is eligible for the supportive services offered in the CoC Mod SRO development) 1) permanently leaves the household (dies, vacates, abandons or voluntarily relinquishes the assisted unit, or is absent from the assisted unit for more than 90 days; and 2) there are remaining household members in the assisted unit who do not independently qualify for CoC Mod SRO assistance (including literal homelessness at the time of move-in); and 3) the lease expires that was in effect as of the date the Head of Household permanently left the household.
 - a. This means that remaining household members may only "succeed" the CoC Mod SRO assistance permanently if they independently qualify for CoC Mod SRO assistance. If there are no qualifying members of the household, then CoC Mod SRO assistance must end at the expiration date of the lease that was in effect as of the date on which the Head of Household left the assisted unit under one of the above circumstances.

Verification of Interdependence

Declaration of interdependence is required for all household members. Verification of custody will be required for minor household members only.

Housing Quality Standards (HQS)

The Housing Quality Standards (HQS) provisions described in Chapter 8 of this Plan apply to the CoC Mod SRO program, with the exception that regular inspections are conducted annually rather than biennially.

Rent Calculation

When determining the total tenant payment (TTP) for CoC Mod SRO participants, HPD will not include the \$50 minimum rent listed in Section 10.1 of this Plan, in accordance with 24 CFR § 578.77(b).

Utility Allowances

Utility allowances are established solely on the unit size of the unit occupied by the family.

Leasing of Contract Units

This section describes procedures for leasing of CoC Mod SRO contract units that differ from those described in Chapter 11 of the Plan:

1. When a CoC Mod SRO household is accepted for housing in a vacant CoC Mod SRO unit by the project subrecipient (sponsor) after being referred through PACT, that household may and should move into the CoC Mod SRO unit before applying for or receiving CoC Mod SRO assistance. The referring agency (e.g., DHS, HRA) must ensure that the household referred is eligible for CoC Mod SRO assistance before making a referral; in addition, HPD may require further confirmation of eligibility before move-in.
2. The effective date of all new CoC Mod SRO subsidies (new admissions) will be the 1st or 15th of the month after the latest of:
 - a. The effective date of the grant in effect on the date that the CoC Mod SRO application was submitted to HPD's DTR;
 - b. The effective date of the current lease for the tenant; and
 - c. The date of the most recent passing Housing Quality Standards (HQS) inspection pass within the past 12 months
3. Though CoC Mod SRO subsidies will only begin on the 1st or 15th of the month, rent-stabilized leases executed by tenants and owners may have different effective dates.
4. Project subrecipients (sponsors) may not collect security deposits from CoC Mod SRO participants, though security deposits may be obtained through other sources such as HRA.

Vacancy Payments

When a CoC Mod SRO project owner or management company that submits a timely and complete request for vacancy payments for which they are eligible under Section 19.15 of this Plan, such payment, if approved by HPD, will be no more than one month of the HPD Housing Assistance Payments (HAP) share of the rent that was in effect as of the vacancy date.

HPD will determine on a case-by-case basis whether the owner will be issued a vacancy payment. For an owner to be eligible to receive a vacancy payment, HPD must receive both notification of a vacancy and a request for vacancy payment within 30 days of the vacancy date, and the subrecipient (sponsor) must certify that they have not rented and will not be able to rent the unit to another tenant by the end of the month following the vacancy date. In addition to the provisions of Section 19.15 of this Plan, a CoC Mod SRO project owner will not be eligible to receive any vacancy payments for a household that was evicted unless the owner provided written notification to HPD at the same time as a written lease termination notice was provided to the tenant, as required in Sections 1.11(d) and 1.9(b)(3) of the CoC Mod SRO HAP contract.

Family Right to Move and Accommodations

The ability to move with assistance as described in Chapter 14 of this Plan does not apply to the CoC Mod SRO program. If a resident moves out of the assisted unit, they are no longer eligible for CoC Mod SRO rental assistance, unless they are moving to another assisted unit in the development. However, under certain circumstances, such as an approved reasonable accommodation for a household member with a disability or under the Violence Against Women Act (VAWA) as described in Chapter 2, a resident may, with HPD approval, transfer to an available CoC Mod SRO unit within HPD's jurisdiction. Refer to Chapter 2, Section 3 of the Plan for more information on how to request a reasonable accommodation. Please note that, unless the disability is immediately apparent, a reasonable accommodation request must include medical documentation and an explanation of how the requested accommodation is linked to the medically documented disability. HPD may deny a request if it poses an undue administrative burden to the agency or propose an alternate accommodation. Applicants and participants may refuse any alternate accommodation offered by HPD if their original request cannot be accommodated or may modify their original request, but this may lead to requests for additional documentation, conferences, and denial by HPD because of the burden of managing a series of participant requests and modifications. If a tenant is interested in living in a more independent housing situation, the provider should work with the tenant to obtain assistance to move on with alternate subsidy if applicable and if another subsidy is available.

Changes to HAP Contract to Substitute or Subtract CoC Mod SRO Units

At HPD's discretion and subject to all CoC Mod SRO requirements, the CoC Mod SRO HAP contract may be amended to substitute units (i.e., remove a unit on the contract and add, in its place, a different unit in the buildings that are under the contract). Before any such substitution can take place, HPD must inspect the proposed unit and determine that the rent is reasonable for the unit. At HPD's discretion and at the request of the CoC Mod SRO project owner, a CoC Mod SRO HAP contract may be amended to remove additional CoC Mod SRO units in the project. The amendment to the HAP contract will be effective the first day of the month following the date of HPD's notice.

Rent Increases

Requests for a rent increase for CoC Mod SRO HAP contracts will be made and reviewed during the annual CoC Mod SRO HAP contract renewal process. The

submission of an executed Renewal of HAP Contract listing the new contract rent by a CoC Mod SRO project owner constitutes a request for a rent increase. HPD's execution of the CoC Mod SRO contract renewal constitutes the PHA's approval of that rent increase request.

DTR will conduct a rent reasonableness review of all contract-wide rent increase requests in accordance with the provisions in Chapter 9. In addition to those provisions, rent increases for CoC Mod SRO HAP contracts will also be limited by the Operating Cost Adjustment Factor (OCAF) published by HUD that is in effect on the effective date of the new CoC Mod SRO HAP contract.

Once a contract-wide rent increase has been approved through the CoC Mod SRO HAP contract renewal execution, CoC Mod SRO project owners or management companies must submit individual rent increase requests to HPD for individual CoC Mod SRO participants. These requests must be submitted to DTR within 60 days of the effective date of the new CoC Mod SRO HAP contract for the unit to be eligible for any approved rent increase with the same effective date as the new CoC Mod SRO HAP contract. DTR will review all individual rent increase requests in accordance with the provisions in Chapter 9.