

HOUSING CHOICE VOUCHER PROGRAM

ADMINISTRATIVE PLAN



State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources

State Fiscal Year 2017 (July 1,
2016 – June 30, 2017)



<http://www.nj.gov/dca/divisions/dhcr/>

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ADMINISTRATIVE AUTHORITY

This document serves as the New Jersey Department of Community Affairs (DCA), Division of Housing and Community Resources, Housing Assistance Element's operational handbook for the implementation of the U.S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program (Program). It also functions as the DCA's *Administrative Plan* and complies with all of the requirements of 24 C.F.R. §982.54, *Administrative plan*. Its purpose is to provide the program staff with the necessary guidance to consistently apply the discretionary policies and procedures adopted by the DCA in its administration of the Housing Choice Voucher Program. In accordance with 24 C.F.R. §982.51 (*PHA authority to administer program*), evidence of the DCA's authority to administer the program is presented in EXHIBIT 1-1. The DCA is committed to administering the Housing Choice Voucher Program to ensure that individuals and households are not denied housing opportunities because of their race, ethnic origin, religion, disability, familial status, or any other protected class. A statement of the DCA's commitment to affirmatively further fair housing opportunities throughout the state of New Jersey is included as EXHIBIT 1-2.

As part of a department of state government, the program acts without a Board of Commissioners. The Commissioner of the DCA is the equivalent supervisory entity and, on the advice of the fiscal officer of the Division of Housing and Community Resources, is responsible for the review and approval of all proposed expenditures which may be made from the operating reserve for "other housing purposes."

State of Emergency

In the event of a declaration of a state of emergency in all or part of New Jersey by either the President or the governor, the DCA has the authority to suspend all or part of the policies contained in this *Administrative Plan* in order to assist those affected by the situation. Where appropriate, the DCA will work in conjunction with HUD to provide assistance to as many citizens as possible under the circumstances.

The information in this document is organized in a chronological sequence that traces the standard progression of a household from a program applicant to a program participant. Each chapter examines a major component of this process and describes the specific functions that are performed by the program to assist those with the greatest housing need while meeting the Public Housing Authority (PHA) responsibilities stipulated at 24 C.F.R. §982.153.

Definitions

The following words and terms are regularly used by the DCA in the administration of the program. Lists contained throughout this *Administrative Plan* are intended to be instructive, not exhaustive. In accordance with the regulatory requirements to do so, some of these definitions were created or modified to reflect the discretionary policies of the DCA. Unless the context clearly indicates otherwise, their meaning is as follows:

Absence from unit. As defined in 24 C.F.R. §982.312 and to include the DCA's policy that identifies hospitalization as the only situation when an extended absence would be permitted. If a participant is away from an assisted unit for more than 30 consecutive days, he or she must notify the program in writing. A household may be away from an assisted unit for 120 consecutive days provided that proper written notice was given to the program. An extension of up to 60 additional days may be granted by the supervising authority on a case-by-case basis for such reasons as an extended illness or rehabilitation.

Agreement to enter into Housing Assistance Payments Contract (Agreement). The Agreement is a written contract between the DCA and the owner in the form prescribed by the U.S. Department of Housing and Urban Development. The Agreement defines requirements for development of housing to be assisted under the Project-Based Voucher Program. When development is completed by the owner in accordance with the Agreement, the DCA enters into a Housing Assistance Payments (HAP) contract with the owner.

Annual income. As defined in 24 C.F.R. §5.609 and Appendix A of this *Administrative Plan*.

Applicant (applicant family). A family that has applied for admission to the program but is not yet a participant in the program.

Applicant break-up. In accordance with 24 C.F.R. §982.206(c), it is the policy of the DCA that an otherwise closed waiting list may remain open to former members of an applicant family that breaks up. On a case-by-case basis, a Regional Supervisor will give consideration to the former members of an applicant family who retain custody of the children, the interests of elderly or disabled household members, and to actual or threatened physical violence against the former members by a spouse or other member of the applicant household.

Change in Income. A change in income from wages occurs at the time a household member begins new employment (i.e. on the first day of training/work), not on the date the first paycheck is received. All changes in income, whether related to wages or other source, must be reported to the field office, in writing, within ten (10) days of the date the participant knows there will be a change in income for any reason.

Co-head of household. An individual in the household who is equally responsible for the lease with the head of household. This individual is not listed on the Voucher.

Contested case. As defined in N.J.A.C. §1:1-2.1, a proceeding in which the legal rights, duties, obligations, privileges, benefits or other legal relations of specific parties are required by constitutional right or by statute to be determined by an agency by decisions, determinations, or orders, addressed to them or disposing of their interests, after opportunity for an agency hearing.

Continuously assisted. As defined in 24 C.F.R. §982.4 and §982.201(d) and to include the DCA's policy limiting the extent of the brief interruption of an applicant's prior participation to 120 days. The DCA will consider a low-income household for admission to the Housing Choice Voucher Program as continuously assisted if the household was a former participant of one of the DCA's Section 8 unit-based programs and extenuating circumstances exist.

Contract unit. Defined in the Housing Assistance Payments Contract as the housing unit rented by the tenant.

Credible evidence. Evidence presented by one side that more likely than not proves their position. Evidence that is worthy of belief, or is trustworthy.

Day. A day is defined to mean any day of the year, including Saturdays, Sundays and legal holidays. It is the policy of the DCA to calculate time deadlines in consecutive days unless specified otherwise.

Eligibility. As defined in 24 C.F.R. §982.201 and to include all the related definitions of HUD and the discretionary policies of the DCA.

Exception rent. In accordance with 24 C.F.R. §982.503(c)(2), the HUD Field Office may approve the DCA's establishment of a payment standard in the "upper range" (110% to 120%) of the fair market rent if required as a reasonable accommodation for a family that includes a person with disabilities or for an exception area to address the higher cost of housing in the area. The DCA will apply to HUD for approval of exception rents on a case-by-case basis.

Extenuating circumstances. The following conditions are recognized by the DCA as extenuating circumstances that may affect the DCA's administration of the program:

- Domestic violence;
- A serious housing quality standards violation;
- A serious health and safety violation;
- A catastrophe such as a fire, flood or other act of nature; or
- A risk of violence against a household member as a reprisal for providing information to a law enforcement agency, or because of his or her race, color, religion, sex, national origin, handicap, or familial status.

On a case-by-case basis, the DCA may consider an exception to one of its standard policies if there is evidence that one of these conditions is present. In addition, the DCA may request a waiver from HUD, on a case-by-case basis, to one of the Housing Choice Voucher Program regulations if there is evidence that one of these conditions is present.

Family. As defined in 24 C.F.R. §5.403 and to include the term "household" as defined by the DCA.

Family break-up. As defined in 24 C.F.R. §982.315 and to include the DCA's policy to determine which members of an assisted family continue to receive assistance if the family breaks up. Generally, the assistance will remain with the household members who remain in the contract unit. On a case-by-case basis the Regional Supervisor will give consideration to the household members who retain custody of the children, the interests of elderly or disabled household members, and to actual or threatened physical violence against the household members by a spouse or other member of the household. Members of the household who are not part of the *assisted* household (not listed on the current *Family Report* and owner's lease) at family break-up are not entitled to be considered to succeed as the Voucher holder. If the Voucher holder passes away leaving only minor children in the assisted unit, the Regional Supervisor may consider a request to transfer the Voucher into the name of the individual named as guardian of the minor children.

Family composition. As defined in 24 C.F.R. §982.201 and to include the DCA's policy regarding the denial or the removal of an individual as a household member. The owner will determine who can live in the contract unit based on the owner's selection policies and in accordance with local and state law. The DCA, however, may prohibit any person who owes the program money or has committed fraud or abuse in any component of the Section 8 program, or who has a disqualifying criminal history from being a member living in a contract unit or being a member of an applicant household.

Family unit size. As defined in 24 C.F.R. §982.4 and to include the DCA's "subsidy standards" to determine the appropriate number of bedrooms for a household (see Chapter 7).

Guest policy. As defined in the lease agreement and to include the DCA's policy limiting the visitation of any person to a maximum of thirty (30) days, cumulative, during the twelve (12) months comprising the household's annual certification period.

Habitable room. As defined in the New Jersey State Housing Code (N.J.A.C. §5:28-1.2), habitable room means "a room or enclosed floor space within a dwelling unit used or designed to be used for living, sleeping, cooking or eating purposes, excluding bathrooms, water closet compartments, laundries, pantries, foyers or communicating corridors, closets, and storage spaces" (see Chapter 8, item (b), Space and security).

Hazard. As defined in New Jersey Administrative Code (N.J.A.C. §5:10-2.2), hazard means "a condition which because of faulty construction or maintenance of the premises creates significant and recognizable danger or risk to the health and safety of persons on or near the premises."

Head of household. The one adult member of the family who is the head of the household for purposes of determining income eligibility and rent (24 C.F.R. §5.504, Definitions).

Household. Two or more persons sharing a "domicile" (as defined in 24 C.F.R. §982.4 as the legal residence of the household head or spouse to be determined in accordance with state and local law) whose income and resources are available to meet the household's needs and who are related by blood, marriage, operation of law, or who give evidence of a stable relationship that has existed over a period of time.

Housing Assistance Payment. As defined in 24 C.F.R. §982.4 as the monthly assistance payment made by a PHA and to include the DCA’s policy that the effective date of the initial payment will be for the first of the month. An exception to this policy may be considered if extenuating circumstances exist.

In good standing. Indicates that a participant is in full compliance with all program regulations and policies as determined by the DCA staff.

Information about tenant. As defined in 24 C.F.R. §982.307(b) and to include the DCA’s policy to inform a prospective owner or a household’s current owner if a household owes rent or other amounts to the program, or to another PHA. The DCA complies with the regulatory requirement to provide notice “to all families and to all owners” by inclusion of this policy in the **Guide to the Housing Choice Voucher Program** (Appendix B).

Information packet. As defined in 24 C.F.R. §982.301(b). The DCA complies with the requirement of this section by providing every participant with a copy of the **Guide to the Housing Choice Voucher Program**, Appendix B of this *Administrative Plan*.

Jurisdiction. As defined in 24 C.F.R. §982.4(b), the jurisdiction of the DCA is the state of New Jersey.

Life-threatening. “Failing conditions presenting an immediate danger to health and safety” (see page 30 of *Housing Inspection Manual: Section 8 Existing Housing Program* (HUD-605-(H)2, March, 1989)).

Live-in aide. As defined in 24 C.F.R. §5.403, §982.316, and Chapter 7 of this *Administrative Plan*. For the DCA to approve a live-in aide for a participant, a physician must submit a signed Certification of Need for Live-in Aide form (EXHIBIT A-11). The physician's Certification of Need for Live-in Aide form must be submitted during each annual recertification for as long as a live-in aide is needed by the household member(s).

Maximum family share at initial occupancy. At the time the program approves a tenancy for initial occupancy of a dwelling unit by a family with tenant-based assistance, and where the gross rent of the unit exceeds the applicable payment standard amount for the family, the family share must not exceed 40 percent of the family's adjusted monthly income. (24 C.F.R. §982.508)

Minimum rent. As required by 24 C.F.R. §5.630 and to include the DCA's policy establishing \$0.00 as a participant's minimum rent.

Mixed household. A household whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status (see non-contending household member).

Non-contending household member. An individual who does not contend to have eligible immigration status. Individuals who do not contend legal immigration status may reside in an assisted housing unit only as long as there are members of the household who contend and are confirmed to be U.S. citizens or have legal immigration status as defined by the Housing and Community Development

Act of 1980. Such a household is classified as a *mixed household* and is eligible for prorated housing assistance.

Nonresident applicant. In accordance with 24 C.F.R. §982.353(c), an applicant household that did not reside in the state of New Jersey when it applied to the program does not have any right to portability when it is initially selected for participation. The program must assist a nonresident applicant household for twelve (12) months in the state of New Jersey before the household has the right to receive housing assistance in another state. (For further information on the topic of portability, see Chapter 12)

Ordinary wear and tear. Means “damage that takes place from normal, careful use of the property” (see page 9 of *Tenant’s Rights in New Jersey*, published by the Legal Services of New Jersey in 2000).

Pattern. A mode of behavior or series of acts that are recognizably consistent. In determining whether a pattern is established, the DCA will consider all drug related (and alcohol related, as applicable) offenses, even if they are outside the five (5) year time period established as reasonable.

Person with disabilities. As defined in 24 C.F.R. §5.403 and on page i of the Family Report Form HUD-50058 (6/2004), a person with disabilities has one or more of the following:

- A disability as defined in Section 223 of the Social Security Act;
- A physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or

- A developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

Preponderance of the evidence. The greater weight of the evidence; superior evidentiary weight, though not sufficient to free the mind wholly from all reasonable doubt, is still sufficient to incline a fair and impartial mind to one side of the issue rather than the other. Establishing that it is more likely than not that a fact is true.

Receipt of the housing assistance payment by the owner. The housing assistance payment is deemed received by the owner on the date the program mailed the check to the owner.

Remaining Member of an Assisted Household. A member of an assisted household who remains in the unit after the other members of the household have left the unit. This term does not include an individual who is an unrelated member of the household who was necessary to care for the well-being of an elderly or disabled head of household or spouse and whose income was not counted for eligibility purposes or to determine total tenant payment.

Residency preference. As defined in 24 C.F.R. §982.4 and to include the DCA's determination that for the purposes of selection, residency will be decided on a county-by-county basis.

Selection policy. As defined in Chapter 5 of this *Administrative Plan*.

Shared housing. Shared housing is a housing unit occupied by two (2) or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private

space for each assisted family. A family may consist of one or more household members. The DCA allows all families and individuals to participate in shared housing arrangements. (24 C.F.R. §982.4, §§982.615-618)

Special housing types. As defined in 24 C.F.R. §982, Subpart M - Special Housing Types.

Spouse. Defined on page 14 of the Family Report Form *HUD-50058 Instruction Booklet* (6/6/2001) as “the marriage partner of the head of household”.

Subsidy standards. As defined in 24 C.F.R. §982.4 and to include the DCA’s policy that establishes the standards used to determine the number of bedrooms listed on a household’s Voucher and exceptions to the standards. (see Chapter 7)

Suspension. Stopping the clock on the term of a family’s Voucher from the date the program receives a Request for Approval of Tenancy form up until the date the program approves or denies the request.

Tenant. As defined in 24 C.F.R. §982.4 and to include “head of household.”

Tenant rent to owner. As defined in 24 C.F.R. §982.4. Appendix A, Determination of Tenant Rent to Owner, provides the guidelines on how the DCA determines a participant’s share of the rent.

Tenant's legal capacity to enter a lease. As defined in 24 C.F.R. §982.308(a) and to include a head of household, under 18 years of age, who is able to provide a judicial decree of emancipation that entitles the minor to contract for necessities.

Vacated unit. The term “vacated unit” means that no member of the household is residing in the unit, the household has not advised the DCA of an absence from the unit, and the household owes rent to the owner.

Violent Crime. A crime that has as an element the use, attempted use, threatened use, or substantive risk of use of physical force against the person or property of another.

State of New Jersey Department of
Law and Public Safety Division of
Law
Banking, Insurance and Public Securities Section
Richard J. Hughes Justice Complex
CN 112
Trenton, NJ 08625

April 21, 1988

U.S. Department of Housing
and Urban Development
Newark Area Office
Gateway 1, Raymond Plaza
Newark, New Jersey 07102
Attn: Area Office Director

Re: Certification of Department of Community Affairs, Division
of Housing and Urban Renewal, as a Public Housing Agency

Dear Sir/Madam:

The following is a brief review of the Department of Community Affairs's qualification as a "public housing agency" and its authorization to participate in the Section 8 Housing Assistance Program.

The State Housing Authority was created in 1933 as a result of the Public Housing Law, N.J.S.A. 55:15-1 et seq. As part of its enabling legislation, it was authorized to have state-wide responsibility for the acquisition, demolition, reconstruction and construction of public housing. N.J.S.A. 55:15-2,3 and 10. In 1944 the Authority was abolished but its respective functions, powers and duties devolved upon the Department of Economic Development. N.J.S.A. 52:27C-5. The devolution makes clear the Department of Economic Development succeeded to all of the powers of the Authority. N.J.S.A. 52:27C-18d. In addition, however, a Public Housing and Development Authority was specifically created within the Department. N.J.S.A. 52:27C-22. This "new" Authority was given additional powers including the power to apply for federal grants, acquire property by any lawful means and provide rental assistance grants.

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N.J.S.A. 52:27C-24. It was also specifically authorized to maintain and operate housing projects it was involved with. N.J.S.A. 52:27C-25.

In 1948 the Public Housing and Development Authority was transferred “intact” to the Department of Conservation and Economic Development. N.J.S.A. 13:1B-6. Shortly thereafter, by virtue of the State Housing Law of 1949, N.J.S.A. 55:14H7 et seq., the Authority’s power to apply for grants, acquire property and administer housing projects was again greatly expanded. N.J.S.A. 55:14H-8, 9 and 10. Finally, in 1966 the Authority was continued as a body politic, but transferred to the Department of Community Affairs then being created, with its functions, powers and duties exercisable by the Commissioner of Community Affairs through the Division of Housing and Urban Renewal in that Department. N.J.S.A. 52:27D-22. Instructively, at that time the Department and Division and Commissioner were specifically authorized to apply for and accept grants from the federal government, in order to accomplish the purposes of the Department, and concomitantly, the Authority. N.J.S.A. 52:27D-10.

In light of the legislative history of the Public Housing and Development Authority and the rather specific powers granted to it to construct, administer and subsidize housing on a state-wide basis, it is my considered legal opinion that the Department, through the Division of Housing and Urban Renewal, qualifies as a “Public Housing Agency” within the meaning of Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, 42 U.S.C.A. 1437f(b)(1); as well as within the meaning of 24 C.F.R. 883.103. It is also abundantly clear that the Department is legally qualified and authorized to participate in the Section 8 Housing Assistance Payments Program.

Very truly yours,

W. Cary Edwards
Attorney General of New Jersey

By: _____/s/
Eliaser Chaparro
Deputy Attorney General

Statement of Commitment to the Goal of Affirmatively Furthering Fair Housing

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability, is a fundamental policy of the Department of Community Affairs (DCA). The DCA is committed to ensuring that all of its housing programs comply fully with all state and federal fair housing laws. The DCA will comply with the requirements of 24 C.F.R. §903.7 (o), *Civil rights certification*, to affirmatively further fair housing by examining its programs and proposed programs in order to identify any impediments to fair housing choice. Any impediments identified will be addressed in a reasonable fashion in view of the resources available. The DCA will also work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the DCA's involvement. The DCA will maintain records reflecting these analyses and actions.

Moreover, the DCA will implement the following proactive steps in addressing accessibility problems for persons with disabilities at an individual's request: (1) The program will assist applicants and participants gain access to supportive services available within the community (*but will not require eligible applicants or participants to accept such supportive services as a condition of continued participation in the program*); (2) In accordance with rent reasonableness requirements, the program will approve higher rents to property owners that provide accessible units with structural modifications for person with disabilities; and (3) The program will provide referrals of local Fair Housing and Equal Opportunity Offices to owners interested in making reasonable accommodations or units accessible to person with disabilities.

In addition, the DCA administers all housing assistance programs in a manner to affirmatively further fair housing by:

- Designing the field offices so that they are accessible to persons with disabilities.
- Providing translators to assist clients who are not proficient in English understand the program requirements and related documents.
- Providing all program applicants with fair housing information at their initial briefing including guidance on how to find a safe and affordable unit, and information about leasing provisions that are prohibited under the law.
- Collaborating with local Continuums of Care. Through this collaboration, the members of our staff become more aware of support services in the communities that may be accessed by disabled or non-disabled program applicants and participants. Such support services could include providing housing search assistance, and/or identifying public or private funding sources to assist persons with disabilities to cover the cost of accessibility features that are needed.

- Permitting program participants the opportunity to migrate from one housing program administered by the DCA to another housing program.
- Conducting data analysis reviews with the Lead Hazard Control Unit to identify housing problems for families with young children because of the presence of lead-based paint in housing built before 1978.
- Publishing waiting list opening notices (in English and Spanish) online on the DCA's website (<http://www.nj.gov/dca/>), in a local newspaper of general circulation, and by minority media and other suitable means.
- Providing applicants and participants with information detailing what actions or non-actions would initiate a complaint and providing literature detailing how to file a complaint with the Fair Housing Complaint Department. (The toll free number to report complaints is 1-800-669-9777. Persons with hearing or speech impairments should contact the Federal Information Relay Service number, which can be accessed via TTY by calling 1-800-887-8339.)
- Operating a voluntary housing counseling program to expand housing opportunity. This program will offer participants additional assistance in finding units in areas of higher opportunity across the state that are defined based on characteristics such as income, quality of education, employment opportunity, accessibility and other demographic measures.

PERFORMING OUTREACH TO ELIGIBLE HOUSEHOLDS

It is the policy of the DCA that all interested parties will be given an equal opportunity to apply when the availability of funding is announced. The DCA will publish the public notice (in English and Spanish) online on the DCA's website (<http://www.nj.gov/dca/>), in a local newspaper of general circulation, and by minority media and other suitable means. In addition to the public notice, the DCA shall promote outreach to social welfare agencies and agencies serving non-English speaking persons. The application process, including completion and submission of the Application for Housing Assistance, will be performed online. Persons with disabilities who require reasonable accommodation in completing an application may contact the DCA to make special arrangements to complete their application. The content of each public notice is dependent upon the funding requirements contained in the new and/or existing unit allocations and those characteristics that may be unique to the jurisdiction. The public notice is designed to provide the following information in accordance with 24 C.F.R. §982.206, *Waiting list: Opening and closing; public notice:*

1. It announces that applications are being accepted.
2. It describes the program's basic eligibility requirements and the type of housing assistance the program provides.
3. It provides HUD's specific income limits for the jurisdiction and it identifies the number of applications that will be accepted.
4. It identifies the proper method of submitting a completed application to the program.
5. It advises the applicant that the written notification of acceptance of their application may take several weeks.

With the exception of HUD program regulations pertaining to special admissions and targeted funding, as more fully set forth below, persons will be placed on the DCA's waiting list using a lottery system. Only complete applications will be accepted for the lottery. Once each complete application has been entered into the system and randomly assigned a number, the applications will be placed on the waiting list according to DCA preferences and in order of the assigned numbers.

Applications not selected in the lottery are viewed as surplus applications and are not included on the waiting list.

Program regulations, however, require the placement of an otherwise eligible household on a closed waiting list if:

1. HUD has awarded the DCA funding that is targeted for households in specified units (24 C.F.R. §982.203) and the households residing in these specified units are not on the waiting list; or
2. HUD has awarded the DCA funding that is for a specified category of tenant (24 C.F.R. §982.204(e)) and there are no households on the waiting list that meet the specified criteria.

HUD requires a clear audit trail that verifies each applicant has been selected in accordance with the program's selection policy (see Chapter 5).

In the event of a declaration of a state of emergency, part or all of this process may be suspended or modified in order to accommodate the citizens in need of assistance.

OUTREACH TO OWNERS

The DCA recognizes that the continued success of the Housing Choice Voucher Program is dependent upon the participation of rental property owners who provide affordable housing that is in decent, safe, and sanitary condition. Since the original outreach efforts in 1976, the DCA has developed a working relationship with over 16,000 property owners throughout the state.

Staff members occasionally appear as speakers before local property owner associations and real estate boards to discuss the program. This forum affords the opportunity to encourage non-participating owners and agents to join participating landlords in advising the DCA of their vacant units. The standard presentation includes a discussion of:

- The Franklin Tower One, L.L.C. v. N.M. decision;
- The owner's responsibility for screening and selection of the family to occupy the owner's unit;
- How the tenant's portion of the rent to owner is determined;
- The guarantee that the DCA will increase its portion of the rent to owner to compensate for a reduction in tenant income;
- The security that the DCA's portion of the rent to owner is paid directly to the owner;
- The extent of the program's liability for claims for unpaid rent and damages;
- The value of regularly scheduled housing inspections and courtesy evaluations of properties for potential participation; and
- The convenient location of the county field offices with a professional staff that is trained to explain and facilitate compliance with program requirements.

The **Guide to the Housing Choice Voucher Program** (Appendix B) is used in conjunction with these outreach efforts. In addition, the DCA sponsors workshops that provide technical assistance to owners and seminars that address recent program developments.

The most effective marketing effort of the DCA has proven to be the presentation given by a program representative directly to an owner. Therefore, an applicant is discouraged from discussing the program in detail with the property owner because this is the role of the program representative. It is the responsibility of the program representative to schedule a meeting with the owner or his or her agent at a mutually convenient time and location. A minimum of one (1) hour is scheduled to explain the program to an owner who is not familiar with the program. An applicant is advised at the briefing session that the program representative will discuss the benefits and requirements of the Housing Choice Voucher Program with the property owner.

Owner Disapproval

The program will deny lease approval if it is required to do so in accordance with 24 C.F.R. §982.306 and for the following reasons:

- The DCA is required to deny approval by state law.
- The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending.
- A court or administrative agency has determined that the owner violated the Fair Housing Act, or other federal opportunity requirements.

- The owner has violated obligations under a Housing Assistance Payments (HAP) Contract under Section 8 of the 1937 Act (42 USCS §1437f).
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- The owner has engaged in any drug-related criminal activity or any violent criminal activity.
- The owner has a history or practice of non-compliance with the housing quality standards for units leased under the Housing Choice Voucher Program, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner is included on the program's debarred list.
- The owner is the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any member of the family. Such relatives of assisted families may be allowed to be participating landlords for the assisted housing unit to provide reasonable accommodation to a person with disabilities. This rule applies only at the initial lease and does not apply to continued tenancy in the same unit (see 24 C.F.R. §982.306(d)). If, because of divorce, the property owner is no longer an immediate family member, the property owner may enter into a Housing Assistance Payments Contract with the program to benefit their former family members.

PROCESSING APPLICATIONS AND DETERMINING ELIGIBILITY

The DCA has established the Applicant Services Unit to ensure that the initial assessment of each applicant's eligibility is performed in a uniform and consistent manner. This unit is responsible for the centralized processing of all Applications for Housing Assistance received by the program. An applicant must submit his or her application to this unit online (see Chapter 2). Applications will only be accepted electronically. Each successful applicant is provided with an acknowledgement of placement on the waiting list (EXHIBIT 4-1). A written explanation (EXHIBIT 4-2) is also given to an applicant when they are no longer eligible for placement on the waiting list. The acknowledgment of placement and denial of placement will be sent to applicants via e-mail, using the e-mail address from which the application was transmitted, unless a request is made for delivery by regular mail. These notices are kept, along with the household's application, for at least three (3) years. Requests for reinstatement to the waiting list will be considered, with appropriate documentation, during this three (3) year period. The procedures for an ineligible applicant to request an "informal review" are presented in Chapter 16.

It is the policy of the DCA that an otherwise eligible head of household must be at least 18 years of age, or an emancipated minor, for his or her Application for Housing Assistance to be considered for eligibility. Those applications that pass the initial review of eligibility are input into the Housing Pro waiting list module. Any change to the computer record of an applicant must be submitted to the Applicant Services Unit on a standardized route slip for implementation. This module produces a waiting list by position number for the selected county. Also included on the report are the applicant's name, Social Security number, application date, selection preference code, and whether the applicant is an extremely low-income family.

Screening for Drug Abuse and Other Criminal Activity

Denial of Admission

The program will deny admission of an applicant¹ for drug abuse and other criminal activity in accordance with the provisions of 24 C.F.R. §982.553 and the policies of the DCA:

- The DCA will deny admission of an applicant for three (3) years if any household member was evicted from federally assisted housing for drug-related criminal activity. The three (3) years begins on the date of the eviction. However, the program may admit the household if the member who engaged in drug-related criminal activity is no longer a member of the household or if he or she has successfully completed a supervised drug rehabilitation program. (24 C.F.R. §982.553(a)(1)(i))
- The DCA will deny admission of an applicant if any household member is currently engaging in the illegal use of a drug. (Such use or possession must have occurred within five (5) years before the date that the program provides notice to the household of the determination to deny admission.) (24 C.F.R. §982.553(a)(1)(ii)(A))
- The DCA will deny admission of an applicant if the program has reasonable cause to believe that a household member's illegal drug use or pattern of illegal drug use may threaten the

¹ In the Veterans Affairs Supportive Housing (VASH) Program, the DCA may only screen for and deny admission to a family member that is subject to a lifetime registration requirement under a state sex offender registration program.

health, safety, or right to peaceful enjoyment of the premises by other residents. (24 C.F.R. §982.553(a)(1)(ii)(B))

- The DCA will deny admission of an applicant if any household member has ever been convicted of drug-related criminal activity for manufacturing or production of methamphetamine on the premises of federally assisted housing. (24 C.F.R. §982.553(a)(1)(ii)(C))
- The DCA will deny admission of an applicant if any household member is subject to a lifetime registration as a sex offender under a state registration program. The DCA will perform sex offender registration checks in the state of New Jersey and in other states where the household members are known to have resided. (24 C.F.R. §982.553(a)(2)(i))
- The DCA will deny admission of an applicant if any household member is currently engaged in, or has engaged in during a reasonable time² before admission, drug-related criminal activity, violent criminal activity, or other criminal activity which may threaten the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or threaten the health or safety of the owner or the DCA staff. (24 C.F.R. §982.553(a)(2)(ii)(A))
- The DCA will deny admission of an applicant if there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or peaceful enjoyment of the premises by other residents. (24 C.F.R. §982.553(a)(2)(ii)(C)(3))

² The DCA has established five (5) years as a reasonable time in which the applicant must not have engaged in these activities before admission. (24 C.F.R. §982.553(a)(2)(ii)(B))

Terminating Assistance

The program will terminate program participants for drug abuse and other criminal activity in accordance with the provisions of 24 C.F.R. §982.553 and the policies of the DCA:

- The DCA will terminate assistance for a household if any household member is currently engaged in any illegal use of a drug. (Such use or possession must have occurred within five (5) years before the date that the program provides notice to the household of the determination to terminate assistance.) (24 C.F.R. §982.553(b)(1)(i)(A))
- The DCA will terminate assistance for a household if the program has reasonable cause to believe that a household member's pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. (24 C.F.R. §982.553(b)(1)(i)(B))
- The DCA will terminate assistance for a household if the program determines that a member of the household has been convicted of drug-related criminal activity for manufacturing or production of methamphetamine on the premises of federally assisted housing. (24 C.F.R. §982.553(b)(1)(ii))
- The DCA will terminate assistance for a household if the program determines that a member of the household has violated the obligations of participation under §982.551 not to engage in any drug-related criminal activity. (The drug-related criminal activity must have occurred within five (5) years before the date that the program provides notice to the household of the determination to terminate assistance.) (24 C.F.R. §982.553(b)(1)(iii))
- The DCA will terminate assistance for a household if the program determines that a member of the household has violated the obligations of participation under §982.551 not to engage in violent criminal activity. (The violent criminal activity must have occurred within five (5)

years before the date that the program provides notice to the household of the determination to terminate assistance.) (24 C.F.R. §982.553(b)(2))

- The DCA will terminate assistance for a household if there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or peaceful enjoyment of the premises by other residents. (24 C.F.R. §982.553(b)(3))
- For households admitted to the program after June 25, 2001, the DCA will terminate assistance for a household if the program determines that any member of the household is subject to a lifetime registration requirement under any state sex offender registration program. If the member subject to the lifetime registration requirement is not the head of household, the DCA will afford the head of household the opportunity to have the ineligible household member leave the household to avoid termination of participation. (24 C.F.R. §982.553(a)(2)(i))

Consideration of Circumstances

When denying or terminating assistance, the DCA will consider all relevant circumstances including the seriousness of the case, the extent of the participation by the household member, any mitigating circumstances related to the disability of a household member and the effect denial or termination would have on the household members not engaged in the activity. The DCA reserves the right to require the household to exclude the offending member in order to continue receiving housing assistance.

The DCA will consider participation in or completion of a supervised drug or alcohol rehabilitation program if denial or termination of assistance is based on illegal use of drugs or alcohol abuse and the household member is no longer engaged in the behavior. The DCA will require the applicant or

participant to submit written certification of rehabilitation from a social worker, counselor, or physician representing the rehabilitation facility.

If the household includes a person with disabilities, the decision of the program is subject to consideration of a reasonable accommodation.

The DCA will terminate assistance for criminal activity based on a “preponderance of the evidence” that a household member has engaged in the activity regardless of whether the household member has been arrested or convicted for such activity.

Access to Criminal Records

The DCA has the authority to obtain criminal conviction records from the National Crime Information Center (NCIC), police departments, other law enforcement agencies and other sources such as the Internet or private databanks.

To obtain criminal history records, every applicant and participant household member who is 18 years of age or older must sign a release form for the search of criminal records.

The DCA must ensure that any criminal records received by the program under the regulatory provisions are:

1. Maintained confidentially;
2. Not misused or improperly disseminated; and
3. Destroyed once the purpose for which the record was requested has been accomplished.

Before denying admission or terminating assistance, the program must provide the subject of the record with a copy of the criminal record. The program must notify the household of the proposed action and must provide the household an opportunity to contest the accuracy and relevance of the information. The subject of the criminal record must request a copy of the history, in writing. A copy of the criminal record may only be released to that individual, unless a specific written authorization for release to another individual is provided by the subject.

The program may not pass along to the household the cost of a criminal records check.

All screening and termination of assistance procedures shall be administered fairly, and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, handicap/disability, or gender, and in accordance with Chapter 16, Informal Review Procedures for Applicants and Informal Hearing Procedures for Participants.

Debarred List

Whenever an applicant is a previous program participant who has been terminated for cause, the applicant shall be denied readmission to participate if there are grounds to deny as stated in 24 C.F.R. §982.552. The applicant has the right to an informal review. To implement this policy, the program will maintain a “debarred list” of persons terminated for cause. Mere failure to list an applicant who is a previous program participant terminated for cause shall not prevent applying the policy to the applicant.

Each Field Office Supervisor must consult the debarred list before issuing a Voucher. If a Field Office Supervisor is aware that an applicant on the waiting list is a former program participant who

was terminated for cause, the applicant is informed in writing that, subject to the applicant's right to an informal review, the applicant's name is being deleted from the waiting list.

Exceptions to debarment may be considered on a case-by-case basis for situations involving victims of domestic violence whose termination occurred while involved in an abusive relationship, recovering substance abusers, and other similar extenuating circumstances that contributed to the debarment.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Placement on the Waiting List

<<'Today's Date'>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

I am pleased to inform you that you are eligible for assistance and have been placed on the <<Waiting List Name>> waiting list.

Should your address or the size of your family change, you must contact this office to maintain your eligibility.

Sincerely,



Applicant Services

This notification will be e-mailed to applicants unless a request is made for delivery by regular mail.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Removal from the Waiting List



<<Today's Date>>

<<Applicant Full Name>>

<<Applicant Address>>

<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

A review of your application for housing assistance indicates that you are no longer eligible for placement on the waiting list for the reason marked below:

- We received duplicate applications for the same county; therefore, one is being removed.
- We received written documentation from you that you are no longer interested.
- We did not receive a response to our request for information.
- Our request for information mailed to your address was returned "undeliverable."
- Your annual income exceeds the income limit established by the U.S. Department of Housing and Urban Development.
- You are no longer eligible because _____
- You, or a household member, have violated program regulations, specifically: _____

If you have evidence that this determination is incorrect, you may request an informal review in writing within twenty days from the date of this notice to: Applicant Services Unit, P.O. Box 051, Trenton, NJ 08625-0051.

Sincerely,

Applicant Services

SELECTION OF HOUSEHOLDS FOR PARTICIPATION

The selection process begins with the program's commitment to exceed the regulatory requirement that not less than 75 percent of the households admitted to the Housing Choice Voucher Program from the program's waiting list must be extremely low-income households. The DCA selection policy then employs a local preference for households that include a person with disabilities, victims of domestic violence. The program has the discretion to establish local preferences that are consistent with the PHA Plan and Consolidated Plan under which the local PHA jurisdiction is covered. In addition, the preference system must be based on local housing needs and priorities as determined by the PHA using generally accepted data sources.

Residency is a secondary preference that is used to further rank those applicants with a local preference and applicants without a preference. Applicants living in the county are offered assistance before non-residents of the county. The residency preference will not have the purpose or effect of delaying or denying admission because of the applicant's age, race, color, religion, sex, national origin, or other protected class

In addition to the preferences above, the DCA will set aside twenty-five (25) project-based vouchers for applicants who will reside in projects associated with the Camden Promise Zone

The standards instituted by the DCA for verification of a local preference are presented in EXHIBIT 5-2.

Applicants who have not claimed a preference are afforded the opportunity to claim a preference at any time while on the waiting list. However, a change from no preference to a local preference will not be implemented without supporting documentation. Applicants are notified of their right to an informal review if their claim of a local preference is denied.

Date of placement on the waiting list is the final criteria used in the selection of applicants.

As noted above, with the exception of HUD program regulations pertaining to special admissions and targeted funding, persons will be placed on the DCA's waiting list using a lottery system. Once each complete application has been entered into the system and randomly assigned a number, the applications will be placed on the waiting list according to DCA preferences and in order of the assigned numbers.

In selecting applicants for participation, the DCA will first offer assistance to Tier I applicants. If there are no Tier I applicants on the jurisdiction's waiting list, assistance is offered to Tier II applicants. If there are no Tier II applicants on the waiting list, assistance is offered to Tier III applicants. (see EXHIBIT 5-1).

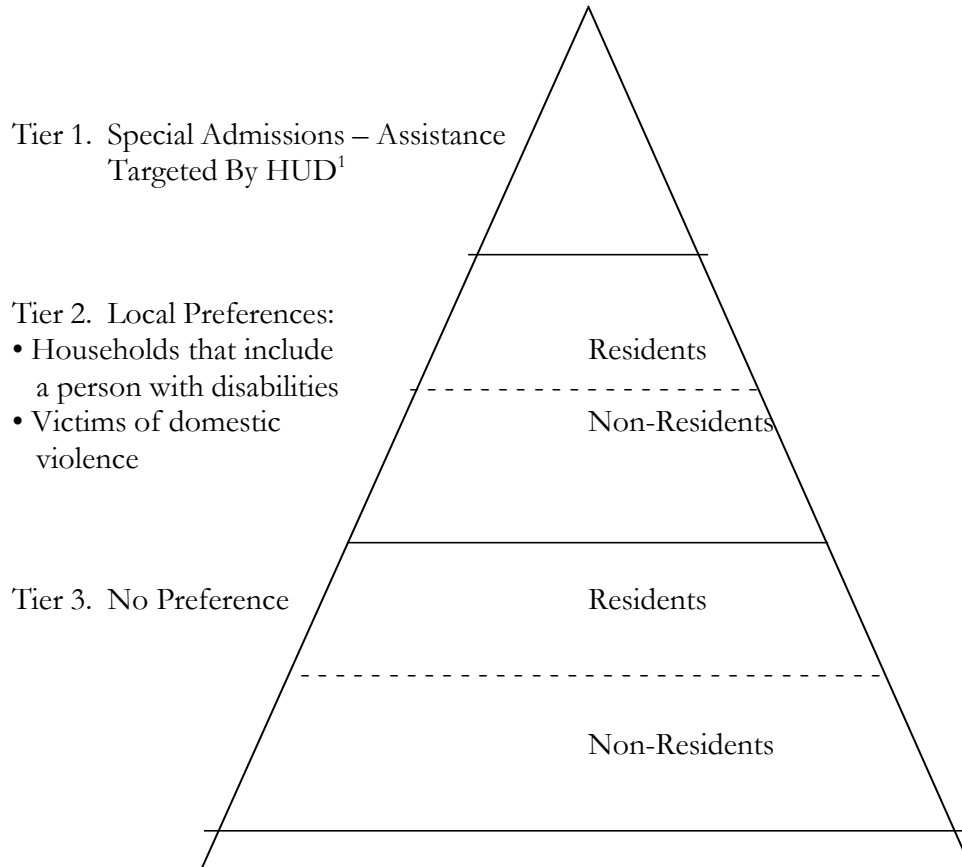
Applicants selected from the waiting list must provide all required documentation within fifteen (15) business days of the date of the notice from the Housing Choice Voucher Program. Extenuating circumstances will be considered in order to provide a reasonable accommodation, on a case-by-case basis.

Programs that require variations to the standard selection policy are identified in EXHIBIT 5-4.

Single Member Households

In accordance with 24 C.F.R. §982.207, *Waiting list: Local preferences in admission to program*, the DCA provides a preference for the admission of single persons with disabilities over other single person households.

ILLUSTRATION OF THE DCA'S APPLICANT SELECTION POLICY



¹ The DCA will select a household that is not included on the waiting list, or without considering the household's waiting list position, if HUD awards the program funding that is targeted for households living in specified units.

Verification Standards for the Local Preferences

All documents received to verify a local preference must be dated and current. To be considered “current” a document must not be dated more than sixty (60) days before the issuance date of a Voucher to an applicant household. All certifications from a third party (including facsimile transmissions) must be on the agency’s letterhead, dated and signed by the appropriate representative of the agency. If verifications are more than sixty (60) days old before a Voucher is issued, new written verifications must be obtained.

Households That Include a Person with Disabilities

1. Documentation from the Social Security Administration that a member of the household is a disabled person who is receiving Social Security Disability or Supplemental Security Income benefits; or
2. Certification from a physician, on a Certification of Disability form (EXHIBIT 5-3), that a member of the household is a person with disabilities.

Victims of Domestic Violence

Official correspondence from a social services agency, the local police department, a court of competent jurisdiction, a clergyman, a physician, or a public or private facility that provides shelter or counseling to victims of domestic violence that the applicant:

1. Is currently living in a housing unit in which a member of the household engages in such violence. The actual or threatened violence must be of a continuing nature or have occurred within the past 120 days; or
2. The applicant has been displaced because of domestic violence and is not currently residing in standard, permanent replacement housing.



New Jersey Department of Community Affairs
Division of Housing and Community Resources

CERTIFICATION OF DISABILITY

RE: _____
(Name of person claiming disability)

The above-named person is a member of a household that has applied to participate in a federally assisted housing program administered by the New Jersey Department of Community Affairs. To determine program eligibility, we must verify whether he or she is a “person with disabilities” as defined by the U.S. Department of Housing and Urban Development.

As defined on page i of the Family Report form HUD-50058 (6/2004), a person with disabilities has one or more of the following:

- (a) A disability as defined in Section 223 of the Social Security Act;
- (b) A physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions; or
- (c) A developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

PHYSICIAN’S CERTIFICATION

I certify that the above referenced person:

- Is a person with disabilities; or
- Is **not** a person with disabilities.

Physician’s Name _____

Address _____

Telephone Number _____

Physician’s Signature _____

Date of Signature _____

VARIATIONS TO THE STANDARD SELECTION POLICY**Mainstream Program**

The Mainstream Program assists households in which the head of household or spouse is a person with disabilities. The program administers Mainstream Vouchers in Atlantic, Burlington, Cape May, Cumberland, Essex, Gloucester, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union Counties. Mainstream Vouchers combine housing assistance and appropriate supportive services that are provided by local social service agencies. The program assists individuals in gaining access to the supportive services in their community. The person with disabilities, however, is not required to accept the services as a condition of participation in the program.

The DCA will first review its regular Housing Choice Voucher Program waiting list in selecting applicants for admission to the Mainstream Program. Households in which the head of household or spouse is a person with disabilities that are included on a county waiting list where the Mainstream Program is administered will be offered a Mainstream Voucher. If the waiting list does not include any eligible households, the DCA will perform outreach activities to local social service and non-profit agencies.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code



Notice of Change in Preference

<<Today's Date>>

<<Applicant Full Name>>
<<Applicant Address>>
<<Applicant CSZ>>

Dear <<Applicant Salutation>>:

The Housing Choice Voucher Program has performed a review of your *Application for Housing Assistance*, and any supporting documentation. It was determined that your household's current circumstances required a change in your position on the waiting list.

Your household's *Application for Housing Assistance* remains on the <<Agency>> County waiting list, but your position on the waiting list has been downgraded because (specify the reason why the applicant's claim of a local preference was denied).

If you believe that this determination is incorrect, an informal review may be requested by writing within twenty days of the date of this letter. Your request must be sent to:

Housing Choice Voucher Program Regional Supervisor
Division of Housing and Community Resources
<<Field Office Address>>
<<City, State, Zip Code>>


Sincerely,


<<User Name>>

COMPUTING TENANT RENT TO OWNER

If it is determined that an applicant is eligible to participate in the Housing Choice Voucher Program, their program representative is responsible for providing the household with an estimate of what their total tenant payment will be. Total tenant payment is the greater of:

- 30% of the family's monthly adjusted income; or
- 10% of the family's monthly income.

The DCA has elected to set the minimum rent for every participant at \$0.00 

The final determination of the total tenant payment, tenant rent to owner, housing assistance payment, and utility reimbursement to the household are made by the Housing Pro computer software program. This program calculates all values and produces the notice of the amount of housing assistance payment to the owner and the participant (EXHIBIT 9-3) .

For a full discussion of income, assets, and adjustments to income, see Appendix A, Determination of Tenant Rent to Owner, to this *Administrative Plan*.

BRIEFING HOUSEHOLDS

Pertinent information regarding the program is presented in the **Guide to the Housing Choice Voucher Program** (Appendix B). This brochure ensures that the required briefings of the heads of household are conducted in a consistent manner. It also provides, in conjunction with updated hand-outs, all material that is required to be given as an “information packet” when a household is selected from the waiting list. The Receipt for the Guide to the Housing Choice Voucher Program is an acknowledgment by the head of household he or she received the Guide and a briefing and the signed form is retained as part of the participant’s file.

Depending upon individual circumstances, the briefing session is scheduled to occur in the field office or in the household’s current residence. When auxiliary aids or supportive services are required to address the special needs of the household, a representative of the referring agency or a relative is encouraged to attend.

A significant number of the participants in the Housing Choice Voucher Program are elderly or persons with disabilities. In most cases, these households and individuals are briefed individually in their homes or at a service agency such as a sheltered workshop, mental health office or neighborhood center. If an applicant or participant has limited English proficiency, the field office staff may include a bilingual person who can communicate with the household. If not, the program has a Limited English Proficiency (LEP) plan in place to ensure that language barriers do not hinder access to the program (see Appendix D).

Complaints

The procedure for filing complaints about program services will be explained in the tenant briefing. The name and telephone number of the Field Office Supervisor and the Regional Supervisor will be provided to all program participants at the initial briefing and at the time of the annual reexamination.

Program Briefings for Participating Service Agencies

Orientation sessions are also conducted for the staff of participating service agencies for the purpose of providing complete program information that can be relayed to potential applicants on a preliminary basis. This procedure is especially helpful for mental health agencies that are then better able to assist their clients with the program requirements. The standard agenda that the program utilizes in the briefing sessions for participating service agencies consists of the following items:

- Introduction to the Housing Choice Voucher Program
- Program origin and funding
- Eligibility requirements
- Application intake procedures
- Tenant selection preferences
- Summary of the Franklin Tower One, L.L.C. v. N.M. decision
- Overview of the housing quality standards (HQS)
- Payment standard amounts
- Role of the participating service agency
- Documentation of family composition, annual income, and allowable income deductions

Obligations of the Family (24 C.F.R. §982.551)

An emphasis is placed on the explanation of the household's responsibilities as outlined in the "Obligations of the Family" section of the Voucher. A copy of this form is provided to the household and it is stressed that the household's actions or inactions in performing these "obligations" affect both their initial program eligibility and their continued participation in the Housing Choice Voucher Program. Therefore, the DCA has established specific criteria and operational definitions to assist the head of household's understanding of these requirements and to measure compliance. These standards are transmitted to the Voucher holder as follows:

The household must:

1. Sign an Authorization for the Release of Information/Privacy Act Notice form, supply any certification, or documentation that the DCA determines to be necessary in the administration of the program and stipulate that all information provided by the household is true and complete;
2. Disclose and verify Social Security numbers (see EXHIBIT 7-1);
3. Correct any breach of the housing quality standards (HQS) caused by the household;
4. Allow the program access to the dwelling unit for initial, annual and special HQS inspections after reasonable notice;
5. Notify the program and the owner before the household moves out of the dwelling unit, or terminates the lease with written notice to the owner (see EXHIBIT 7-4);
6. Promptly give the program a copy of any owner eviction notice;
7. Use the assisted unit solely for residence of the household members listed on the lease and as the household's sole residence (the visitation of a guest is limited to a maximum of thirty (30) days cumulative during the one (1) year certification period);

8. Notify the program in writing within ten (10) days of the birth, adoption or court-awarded custody of a child. The household must request the program's advance approval to add any other household member as an occupant of the assisted unit;
9. Notify the program within ten (10) days, in writing, if any household member no longer resides in the assisted unit;
10. Notify the program within ten (10) days, in writing, of an absence from the assisted unit; and
11. Notify the program in writing within ten (10) days of any change in the household's total annual income.

The household must not:

1. Commit any serious or repeated violation of the lease;
2. Sublease, or rent the assisted unit, or any part of the assisted unit;
3. Assign the lease or transfer the assisted unit;
4. Own or have any interest in the dwelling unit except for a household assisted in cooperative housing, or a mobile home where the household leases the pad, or a household assisted under the homeownership option (see Chapter 18);
5. Commit fraud (see 24 C.F.R. §792.103 for definition), bribery or any other corrupt or criminal act in connection with the Housing Choice Voucher Program;
6. Engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
7. Abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises; and

8. Receive assistance under the Housing Choice Voucher Program while receiving a housing subsidy under any other federal, state or local housing assistance program.

Absence from the Assisted Unit

A household may be required to temporarily leave their assisted housing unit because of illness or an emergency medical situation. If a household is absent from the assisted unit for an extended period because a household member is hospitalized, the program participant must provide written notice to the Field Office Supervisor. The participant will be asked to provide an estimate of the hospitalization period to the Field Office Supervisor. A program participant is required to continue to pay the tenant rent to owner and any cost of utilities required under the lease during the “absence” from the assisted housing unit (see definition in Chapter 1).

Unless circumstances warrant, the period of vacancy will not exceed 120 days or the anniversary date of the HAP Contract, whichever comes first. The program manager, or designee, may grant an extension of up to an additional 60 days in cases of extended illness or rehabilitation. However, program regulations mandate (24 C.F.R. §982.312 (a)) that the household “may not be absent for a period of more than 180 consecutive calendar days in any circumstance, or for any reason.”

Standards Used to Issue Vouchers




Voucher size is determined by household size and composition. These subsidy standards are applied consistently for all households of like size and composition. They are also consistent with the space requirements under the housing quality standards (see “Standards Used to Determine Acceptability of Unit Size” in Chapter 8) and, therefore, meet the regulatory requirement to “provide for the

smallest number of bedrooms needed to house a family without overcrowding.” (24 C.F.R. §982.402(b)(1))

Subsidy Standards for Standard Issuance

Voucher Size	Household Size
0-bedroom	1
1-bedroom	1-2
2-bedroom	2-4
3-bedroom	4-6
4-bedroom	6-8
5-bedroom	8-10
6-bedroom	10-12

Exceptions to the Subsidy Standards

The household must request an exception to  the subsidy standards in writing. The request should explain the reason(s) for the request and how a larger unit would improve the current circumstances of the household. The DCA may grant an exception from the established subsidy standards if it is determined that an exception is justified because of the age, sex, health, handicap, or relationship of household members or other personal circumstances. The program will consider requests for an exception to the subsidy standards on a case-by-case basis. Examples include but are not limited to:

- A household that includes one or more elderly persons, or near-elderly persons, or a person with disabilities¹ who requires a live-in-aide (see page 7-10);
- Providing reasonable accommodation to a person with disabilities who may require additional living space because of their disabling condition;

¹ See page 1-11 for the definition of a “person with disabilities.”

- Helping a household move from a high-poverty area by expanding their housing choices; or
- The program may approve an additional bedroom for medical equipment if the need is documented by a physician. (The actual equipment in the extra bedroom must be verified by a program inspector during the initial and each annual inspection of the housing unit. If the extra bedroom is not being used for the intended purpose, the program must reduce the subsidy standard and the corresponding payment standard amount at the household's next annual reexamination. In addition, the program may take further action if any obligations of the family (see 24 C.F.R. §982.551) were violated.) A physician certification regarding the need for medical equipment must be provided at every annual recertification for as long as the equipment is needed.

Exceptions to the subsidy standards must be approved by the Field Office Supervisor and the Regional Supervisor. If an exception is approved, the Regional Supervisor must document the justification of his or her approval.

Exception Subsidy Standards

Voucher Size	Household Size
0-bedroom	N/A
1-bedroom	N/A
2-bedroom	N/A
3-bedroom	3
4-bedroom	4-5
5-bedroom	5-7
6-bedroom	6-9


Reduction in Voucher Size

In accordance with federal regulations and HUD directives, over-subsidization is not permissible. All households must be issued the smallest size Voucher that will accommodate the family size. Tenants will be given thirty (30) days' written notice if a Voucher will be "downsized" to the appropriate size and accompanying payment standard. Households subject to such "downsizing" will have the option to remain in the current unit and pay the higher tenant portion of rent, or to move to more appropriately sized unit. Downsizing of a Voucher will occur during a household's annual recertification, interim redetermination of household income and family composition, or during an interim relocation.

Extension of the Term of a Voucher

The term of a Housing Choice Voucher is sixty (60) days. If a household fails to submit a Request for Approval of the Tenancy within the sixty (60) day term, the household may request an extension.

The program will grant a sixty (60) day extension if the household complies with the following:

1. The household's request must be in writing (see section 6 of the Voucher) and it must be received before the expiration date;
2. The household must contact their program representative at least bi-weekly to report progress in their search for suitable housing; 
3. The household must show that efforts have been made to locate acceptable housing by pursuing referrals from the field office and by contacting landlords, real estate agencies and other sources.

More than one extension of the term of the Voucher is possible. A second sixty (60) day extension, to a cumulative total of 180 days, will be considered for households who have complied with the

above stated requirements. Extensions beyond 180 days will be considered on a case-by-case basis as long as the household continues to make reasonable and appropriate efforts to locate acceptable housing. Such efforts to locate acceptable housing must be documented, in writing, to the field office.

In order to make the program more accessible and useable by a household with a member who is a person with a disability, the program will automatically extend the term of the Voucher to 120 days from the beginning of the initial term. The program will also grant an additional 120 day extension to help such households meet the housing requirements that are uniquely suited to the needs of persons with disabilities. Additional extensions of up to sixty (60) days each will be considered on a case-by-case basis as long as the household continues to make reasonable and appropriate efforts to locate acceptable housing. Such efforts to locate acceptable housing must be documented, in writing, to the field office.

The DCA field office will notify the Voucher holder in writing of an extension or denial of an extension of the term of the Voucher (see EXHIBIT 7-3 and EXHIBIT 7-4). (See Chapter 9 for a discussion of the suspension, or tolling, of the term of a Voucher.)

Housing Search Assistance

The most viable resource to identifying available housing is the property owners who participate in the program. Many participating owners recognize the program's benefits and inform the local field office of impending vacancies. This process has proven to be successful in advising Voucher holders of available housing that meets their particular needs.

The New Jersey Housing Resource Center (HRC) is another tool that is available to assist households who are searching for acceptable housing. The DCA partnered with the New Jersey Housing Mortgage Finance Agency to develop the HRC. The HRC is a database of affordable housing units located throughout the state of New Jersey. Property owners with vacant units may use web based services to list their units. Program participants in housing search may use the site to locate an affordable unit. This site may be accessed at <http://www.njhousing.gov> or by selecting the link for the New Jersey Housing Resource Center on the DCA homepage.

Security Deposits

A prospective landlord may collect a security deposit from the tenant in accordance with state law. If the security deposit is not sufficient to cover amounts owed under the lease, the owner may seek to collect the balance from the tenant. The DCA may prohibit security deposits in excess of private market practice as described in 24 C.F.R. §982.313 to help protect tenants from extraordinarily high security deposits.

Authorization of Live-In Aides

As defined in 24 C.F.R. §5.403, a live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or a person with disabilities and who:

1. Is determined to be essential to the care and well-being of the persons;
2. Is not obligated for the support of the persons; and
3. Would not be living in the unit except to provide the necessary supportive services.

In accordance with 24 C.F.R. §982.316, *Live-in aide*, a household that consists of one or more elderly, near-elderly or disabled persons may request that the program approve a live-in aide to reside in the unit and provide necessary supportive services for a household member who is a person with disabilities, or an elderly or near-elderly person. The program must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 C.F.R. Part 8 to make the program accessible to and usable by the household member with a disability, or an elderly or near-elderly person. (See 24 C.F.R. §982.402(b)(6) concerning effect of live-in aide on family unit size.)

At any time, the program may refuse to approve a particular person as a live-in aide, or may withdraw such approval, if:

1. The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
2. The person commits drug-related criminal activity or violent criminal activity; or
3. The person currently owes rent or other amounts to the program or to another public housing authority in connection with Section 8 or public housing assistance under the 1937 Act.

A live-in aide may not be otherwise employed during the hours that the live-in aide is essential to provide necessary supportive services to a household member.

A live-in aide that meets the requirements specified in the Code of Federal Regulations citations listed above will be approved by the DCA if the household submits a Certification of Need for Live-in Aide form (EXHIBIT A-11) completed by a physician. Annually the physician must specify

the number of days per week and the number of hours per day that the live-in aide must provide the necessary supportive services.

The income of an employed person with his or her own legal residence who is not a member of the household before authorization as a live-in aide will be excluded from annual income when the person becomes a member of the assisted household as a live-in aide.

An employed person who is a member of the assisted household when the household requests that he or she be approved as a live-in aide will not be approved for live-in aide status.

Move with Continued Tenant-Based Assistance

One of the obligations of participation requires an assisted household to notify the program and the owner, in writing, before the household moves out of an assisted unit. If a household moves from their assisted housing without giving proper notice and occupies housing that has not passed the housing quality standards inspection, and is therefore not eligible for housing assistance, the tenant would be responsible for the full rent payment.

A participant's failure to provide proper notice to their landlord before vacating an assisted unit, will result in the delay, denial, or termination of housing assistance to the household. A participant planning to relocate, within the jurisdiction of the DCA or through portability, should be financially prepared for an interruption in the housing assistance payments made on their behalf. The household may have to assume full responsibility for all of their housing costs until the new unit that they have selected complies with all program requirements. The DCA will make every reasonable effort to complete the required HQS inspection(s), confirm that the rent is reasonable and conduct

negotiations with the new owner in a timely manner. The household, however, must be prepared to assume the entire cost of their housing, without reimbursement from the program, until all of these mandated requirements have been satisfied.

Before a Voucher can be reissued to a program participant to begin their housing search, the DCA must confirm that proper notice was given to their current landlord and that the household is in good standing and otherwise eligible. The earliest a Voucher may be dated and re-issued to a current participant, who has given proper notice and who has been determined to be otherwise eligible, is sixty (60) days prior to the last day of occupancy stated on their notice. For program purposes, this calculation is always computed from the last day of a month because each housing assistance payment represents a payment that is made for the entire month.

It is the policy of the DCA not to overlap the last housing assistance payment for the month when the household moves from the assisted unit to the new unit. Exceptions to this policy will be considered on a case-by-case basis if extenuating circumstances exist.

The program may approve overlapping housing assistance payments if the housing meets the federal housing quality standards at the time the tenant occupies the housing. This requires that the tenant give sufficient notice to the program to schedule an inspection before relocating. Further, situations have occurred from time to time when tenants have occupied housing where the rent to owner is not a reasonable rent. In these circumstances, tenants are responsible for the payment of the rent if the owner will not enter into a HAP Contract for an amount determined to be reasonable.

If an applicant or participant is denied an opportunity to move to a higher cost unit within the state of New Jersey or out-of-state under the portability option because of a lack of funding (see 24 C.F.R. §982.314(e)), the program will inform the household in writing when the decision is made. Every month the program determines the number of households that are assisted, calculates the total amount of housing assistance approved for payment, determines the average cost per unit, and reports this information to the U.S. Department of Housing and Urban Development's Voucher Management System.

When the DCA's monthly analysis indicates that funding levels are sufficient to assist additional households, the program will, before any applicants are selected from the waiting list, determine if any program participants were denied a move to a higher cost unit because of insufficient funding within the past six (6) months. If so, the household(s) will be notified in writing of these new circumstances and will be given the opportunity to relocate to a new housing unit.


Prohibition on Move within the Initial Year of a Lease Agreement

A participant may not move more than one time during the initial year of a lease agreement unless the lease agreement has been terminated by mutual agreement of the owner and the household and extenuating circumstances exist (see definition in Chapter 1).

Violence Against Women Act (42 U.S.C. §13925 et seq.)

The Violence Against Women Act (VAWA), Public Law 109-162, was enacted on January 5, 2006. Sections 606 and 607 amend Section 8 of the U. S. Housing Act of 1937 to protect certain victims of criminal domestic violence, dating violence, sexual assault or stalking, as well as members of the victims' immediate families from losing their HUD assisted housing as a consequence of the abuse

of which they were a victim.

The HUD statutes support and strengthen efforts to combat domestic violence and other forms of violence against women. Title VI, “Housing Opportunities and Safety for Battered Women and Children”, has provisions prohibiting the eviction of and removal of assistance from certain persons living in public or Section 8 assisted housing if  asserted grounds for such actions are based upon an instance or instances of domestic violence, dating violence, sexual assault, or stalking.

HUD issued notice PIH 2006-23 which requires all PHA’s Five (5) Year and Annual Administrative Plans to contain information regarding policies of the PHA that are intended to support or assist victims of domestic violence, dating violence, sexual assault or stalking. To that end, the program has mailed a letter and a fact sheet in English and Spanish notifying all owners and participants of their rights and responsibilities under this law.

Section 606 of the VAWA requires HUD to develop a certification form. This form is titled “Certification of Domestic Violence, Dating Violence or Stalking” (HUD form 50066). It is for victims of abuse to certify that the alleged incidents of abuse are bona fide and participants were notified in the cover letter that these forms are available at all field offices. Other acceptable forms of verification are listed on the certification form. All information is kept confidential and none of the information is entered into a shared database.

Additionally, HUD revised the Housing Assistance Payment Contract (HUD form 52641) and the Tenancy Addendum (HUD form 52641A) to include protections for victims of abuse. These forms replace the previous versions and apply when executing a new HAP Contract or approving new

leases in the Housing Choice Voucher Program. In situations where the owner and tenant make changes to a pre-existing lease, the new HAP Contract must be used. The updated forms do not have to be executed for existing participants; however, all owners and participants are subject to the provisions contained therein.

All county field offices have received the relevant forms and information and have been briefed on the VAWA procedures and implementation. Updated information will be provided to staff as revisions are made to the VAWA.

Discretionary Grounds for Denial or Termination of Assistance (24 C.F.R. §982.552(c))

The Housing Choice Voucher Program may deny assistance for an applicant or terminate assistance for a participant for any of the following reasons:

1. If the household violates any of the obligations (see 24 C.F.R. §982.551, *Obligations of participant*) under the Housing Choice Voucher Program. See 24 C.F.R. §982.553 concerning denial or termination of assistance for crime by family members.
2. If any member of the household has been evicted from federally assisted housing in the last five (5) years.
3. If a housing agency has ever terminated assistance under the program for any member of the household.
4. If any member of the household has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
5. If the household currently owes rent or other amounts to the program or to another housing agency in connection with Section 8 or public housing assistance under the United States

Housing Act of 1937.

6. If the household has not reimbursed the program or another housing agency for amounts paid to an owner under a Housing Assistance Payments Contract for rent, damages to the unit, or other amounts owed by the household under the lease.
7. If the household breaches an agreement to pay amounts owed to the program or to another housing agency.
8. If a household participating in the Family Self-Sufficiency (FSS) Program fails to comply, without good cause, with the household's FSS Contract of Participation.
9. If the household has engaged in or threatened abusive or violent behavior toward program personnel.
10. If a welfare-to-work family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program. (where applicable)
11. If the household has been engaged in criminal activity or alcohol abuse as described in 24 C.F.R. §982.553, *Denial of admission and termination of assistance for criminals and alcohol abusers*.

Mandatory Grounds for Denial or Termination of Assistance (24 C.F.R. §982.552(b))

1. For provisions on denial of admission and termination of assistance for illegal drug use, other criminal activity, and alcohol abuse that would threaten other residents, see §982.553.
2. The PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.
3. The PHA must deny admission to the program for an applicant, or terminate program assistance for a participant, if any member of the family fails to sign and submit consent forms for obtaining information in accordance with part 5, subparts B and F of this title.

4. The family must submit required evidence of citizenship or eligible immigration status.

See part 5 of this title for a statement of circumstances in which the PHA must deny admission or terminate program assistance because a family member does not establish citizenship or eligible immigration status, and the applicable informal hearing procedures.

5. The PHA must deny or terminate assistance if any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in *24 CFR 5.612*.

If a household owes monies to the program as described above, the program, at its discretion, may offer the household an opportunity to enter into an agreement to reimburse the program. The program will prescribe the terms and conditions of the agreement and will deny or terminate assistance for a breach of the agreement. Households that owe the program more than \$3,000 because of their failure to report changes in their total annual income will be terminated and will not be given the opportunity to enter into a repayment agreement.

Termination of HAP Contract Due to Insufficient Funding

Pursuant to 24 C.F.R. §982.454, the DCA reserves the authority to terminate Housing Assistance Payments (HAP) Contracts when the DCA determines that available funding under the CACC (Consolidated Annual Contributions Contract) is insufficient to support continued assistance to all participants in the program. Notice will be posted on the DCA's website if this process must be initiated. The DCA will terminate assistance based on the following criteria and in the order listed below:

- HAP Contracts for households that **do not** have an elderly member, disabled member, minor dependent, or are participating in the Homeownership Program will be terminated beginning with households that have been receiving program assistance for the longest period of time.
- HAP Contracts for households that **do not** have an elderly member, disabled member, or are participating in the Homeownership Program that have assets exceeding \$100,000.00 will be terminated beginning with households that have been receiving program assistance for the longest period of time.
- HAP Contracts for households that **do not** have an elderly member, disabled member, or are participating in the Homeownership Program will be terminated beginning with the HAP Contracts with the lowest cost to the DCA.

The DCA will terminate HAP Contracts up until the point that the DCA determines that CACC funding is sufficient to support continued assistance for the remaining program participants.

If the DCA determines that such terminations are necessary, impacted households and property owners will be given a minimum of thirty (30) days notice, in writing, of the termination.

The decision to terminate a HAP Contract due to insufficient funding is not one that is subject to an informal hearing, pursuant to 24 C.F.R. §982.555(b)(1) and (2). This decision is considered final and the impacted household will not receive preference for resumption of assistance.

Disclosure and Verification of Social Security Numbers

The documentation necessary to verify the Social Security Number (SSN) of an individual who is required to disclose his or her SSN includes:

1. An original SSN card issued by the Social Security Administration (SSA);
2. An original SSA-issued document which contains the name and SSN of the individual; or
3. An original document issued by a federal, state, or local government agency which contains the name and SSN of the individual.

In accordance with 24 C.F.R. §5.216, *Disclosure and verification of Social Security and Employer Identification Numbers*, these requirements apply to assistance applicants and program participants².

Applicants – Each member of the applicant’s household, regardless of age, must disclose and verify their SSN when the applicant’s eligibility to participate in the program is being determined. A household on the waiting list will not be provided housing assistance until such time as all household members have disclosed and verified a valid SSN. However, if the household is otherwise eligible to participate in the program, the household may maintain their position on the waiting list for no more than 90 days to provide each member of the applicant household with an opportunity to comply with the SSN disclosure and documentation requirements.

Participants – Each member of the household (except those age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010) must disclose and verify their SSN if the member has:

- Not previously disclosed a SSN;
- Previously disclosed an invalid SSN; or
- Been issued a new SSN.

Each member of the household subject to the disclosure requirements must disclose and verify their SSN at the next interim or annual reexamination of income and household composition.

Addition of a New Household Member – When a program participant requests to add a new household member who is at least 6 years of age, or is under the age of 6 and has an assigned SSN, the participant must disclose and verify the new member’s SSN at the time of the request, or at the time of processing the interim or annual reexamination of household composition that includes the new member.

When a program participant requests to add a new household member who is under the age of 6 and has not been assigned a SSN, the participant is required to disclose and verify the child’s SSN within 90 calendar days of the child being added to the household. The program may grant an extension of one additional 90-day period if the program, in its discretion, determines that the participant’s failure to comply was because of circumstances that could not have reasonably been foreseen and were outside the control of the participant.

² Individuals who do not contend eligible immigration status are exempt from the requirement to disclose a SSN.

Guidelines for Submission of Notice  the Landlord by a Program Participant

The household must provide written notice to their landlord regarding their intention to vacate the landlord's unit before moving from the assisted housing unit.

The notice must specify the household's final day of occupancy. (The last day of occupancy must be the last day of a month.)

The household is responsible for insuring that their landlord receives the written notice within the time period specified in their lease agreement.

A copy of the written notice that the household provides to the landlord must be mailed to the program on the same day that the notice is given to the landlord.

It is recommended that the notice to the landlord be sent certified mail return receipt requested so that the household has evidence of complying with the notice requirement of their lease agreement. The program will also verify with the landlord that he or she received the notice and that the household has not violated any other provisions of their lease agreement.

Under New Jersey law, a termination of tenancy notice from the owner to the tenant is not good cause for eviction. Assistance will continue if the tenant decides to remain in the housing unit.

Sample Notice by Tenant to Terminate Lease Agreement

I, <<Head of Household>>, the tenant, hereby give notice to <<Owner Name>>, the landlord, of my household's intention to vacate the assisted housing unit located at <<Unit Address>> owing no rent. The final day of our occupancy will be the last day of _____, 20_____, and the unit will be free of damages beyond normal wear and tear.

Tenant's Name (print)

Tenant's Signature

Date

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Extension of Voucher

<<Today's Date>>

Dear <<Applicant Full Name>>:



I have received your written request for an extension of your Voucher.

Your request for an extension has been approved and the expiration date of your Voucher is now <<Date>>. This means that you must give the program a *Request for Tenancy Approval* form signed by you and the owner of suitable housing by the date specified above.

Until the expiration date on the Voucher issued to you can be amended, it is recommended that you keep this letter in a safe place with your other important papers and documents.

Should you have any questions regarding this notice, please do not hesitate to call my office at <<PHA Phone>>.

Sincerely,

Program Representative

cc: case file

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code



Notice of Expiration of Voucher

<<Today's Date>>

Dear <<Applicant Full Name>>:

Please be advised that the period of time you have to locate housing that is eligible for assistance under the Housing Choice Voucher Program will expire on <<Date>>. This is at least sixty days from the date your Voucher was issued.

It has been determined that there will be no extension of your housing search period. Therefore, if the program has not received a *Request For Tenancy Approval* form by the expiration date, your Voucher will expire. Should you be unsuccessful in locating housing, you may submit a new *Application For Housing Assistance* if the program is accepting applications.

Please do not hesitate to call my office at <<PHA Phone>> if you have any questions regarding this notice.

Sincerely,

Program Representative

cc: case file

INSPECTING UNITS FOR CONFORMITY TO THE HOUSING QUALITY STANDARDS

The DCA adheres to the housing quality standards (HQS) performance requirements as specified in 24 C.F.R. §982.401. In addition, all housing must meet the acceptability criteria, as well, except for the following variations:

a) Sanitary facilities. Hot water heaters must be free of hazardous conditions and equipped with a discharge line that terminates within 12 inches of the floor. Hot water heaters will not be permitted to be located in bedrooms or other living areas. Gas and electric hot water heaters located in a secondary room (a room not used for living) will be permitted provided the unit is otherwise free of hazardous conditions. Gas and electric hot water heaters will be permitted in a kitchen or bathroom provided that “safety dividers” or “shields” are installed to protect the occupants from any contact with the unit.

b) Space and security. The New Jersey multiple dwelling regulations are used to define a bedroom or living/sleeping room of “appropriate size.” N.J.A.C. §5:10-22.3, *Floor Area*, states that every room occupied or intended to be occupied for sleeping purposes for one occupant shall have a minimum usable floor area of 70 square feet. Every room occupied or intended to be occupied for sleeping purposes by more than one occupant shall have a useable floor area of at least 50 square feet for each occupant (two (2) occupants require a minimum of 100 square feet). To be considered a living/sleeping room, the smaller dimension of the room must not be less than seven feet; thus ensuring enough space to get past the bed.

c) Thermal environment. Adequate heat “appropriate for the climate” is not defined by the federal HQS regulations. The DCA will comply with N.J.A.C. §5:10-14.4, *Minimum Temperature*, of the New Jersey multiple dwelling regulations which requires from October 1 of each year to the next succeeding May 1, every dwelling unit and every habitable room therein shall be maintained at a temperature of at least 68 degrees Fahrenheit between the hours of 6:00 A.M. and 11:00 P.M. and at least 65 degrees Fahrenheit between the hours of 11:00 P.M. and 6:00 A.M.

d) Structure and materials. This section is concerned with the structure of the ceilings, walls, and floors, but is silent regarding a minimum ceiling height or usable floor area. The New Jersey multiple dwelling regulations will again be utilized to provide a standard.

N.J.A.C. §5:10-22.5, *Required Ceiling Height*, requires a clear height of at least 7 feet, 0 inches, for a room to be considered a habitable room. The ceiling height in a non-habitable room is a tenant preference issue.

e) Other interior/exterior hazards.

1. All windows required to be operable under the HQS requirements must operate as designed.
2. All windows required to be operable under the HQS requirements must also comply with N.J.A.C. §5:10-10.1, *Screens*, which requires insect screens from May 1 to October 1 of each year.
3. A wall switch must operate a ceiling or wall mounted light fixture in a bathroom.

Should the DCA's housing standards conflict with a local housing code (i.e. refusal to issue a Certificate of Occupancy) the policy of the DCA will control. The DCA reserves the right to waive any of these HQS variations on a case-by-case basis with the authorization of the program manager or designee.

Inspection Checklist

In the interest of cost containment and greater efficiency, the program has developed a one (1) page checklist for pass/fail items and a summary page for comments. New program representatives, however, are required to use the HUD Inspection Form 52580-A for at least three (3) months or until they have demonstrated a thorough knowledge of inspection requirements and techniques.

HQS Training Procedures


The DCA has established a systematic training program that incorporates all HUD training materials, including the audio-visual presentation, Housing Inspection Manual and the Trainer's Manual for the Implementation of Training PHA Program Directors in the Housing Quality Standards of the Section 8 Existing Housing Program.

Following the successful completion of this initial training, new program representatives are assigned to senior field staff for a period of at least two (2) weeks for joint participation field inspections. New program representatives who demonstrate an acceptable proficiency in HQS evaluations after two (2) weeks are then assigned an initial caseload. Field Office Supervisors conduct weekly case management reviews with all program representatives in order to assess performance.

Standards to Determine Acceptability of Unit Size

In accordance with HUD directives, the DCA subsidy standards provide for the smallest subsidy level that will avoid overcrowding and will permit households to rent decent, safe and sanitary units with adequate space and security. Generally, there must be at least one (1) bedroom or living/sleeping room of appropriate size for each two (2) persons. The DCA's subsidy standards permit the following maximum occupancy, assuming a living room is used as a living/sleeping area:

Unit Size	Maximum Occupancy
0-bedroom	2
1-bedroom	4
2-bedroom	6
3-bedroom	8
4-bedroom	10
5-bedroom	12
6-bedroom	14

The DCA will not prohibit a family from renting a unit with fewer bedrooms than the number stated on the Voucher if the above criteria are satisfied. Persons of opposite sex, other than husband and wife or children under the age of 7, will not be required to occupy the same bedroom or living/sleeping room. For example, a family consisting of three (3) members including a mother,  a daughter over 7 years of age and a son over 7 years of age would be issued a two (2) bedroom Voucher. This would provide a sufficient number of bedrooms so that the children would not be required to share the same bedroom. Regardless of the number of bedrooms stated on the Voucher, no otherwise acceptable unit shall be disapproved because it is too large.

In accordance with regulatory requirements, the DCA shall grant an exception from the standard if it is determined that an exception is justified because of the relationship, age, sex, health or handicap of the household members, or other individual circumstances (see Chapter 7).

Certification of Compliance with the HQS

The program regulations (24 C.F.R. §982.404) state that the program must not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defects within the period specified by the program¹ and the program *verifies* the correction. The regulations, however, do not require the program to conduct a visual re-inspection of the housing unit to confirm that the failed items have been corrected. Therefore, under certain circumstances the program will rely on the owner's certification that the required repairs were made. In addition, the tenant also must confirm that the repairs have been completed in an acceptable manner.

The Field Office Supervisor will have the discretion to determine whether HQS compliance will be determined by a visual re-inspection, or by owner certification. This will be decided based upon the severity of the conditions to be corrected and the program's experience with the property owner. In cases where the household is responsible for the breach of the HQS, the program will be required to visually re-inspect the property to determine compliance.

¹ If a defect is life threatening, the owner must correct the defect within no more than twenty-four (24) hours. For other defects, the owner must correct the defect within no more than thirty (30) calendar days (or any DCA-approved extension).

Waivers to the DCA's Standards

Upon the determination of good cause, the program manager or designee may waive any DCA higher standard to the HQS. Each waiver shall be maintained as part of the case file with a written explanation of the specific reasons for the waiver. The pertinent facts and justification in seeking the waiver must be provided in the form of a written memorandum by the requesting Field Office Supervisor.

Waivers to HUD's HQS

Upon the demonstration of good cause, the program manager or designee may submit a written request to the HUD Newark office for a waiver to the HQS. The requesting Field Office Supervisor must provide the documentation required to support the waiver. Each waiver that is approved shall be maintained as part of the case file.

APPROVING LEASES AND EXECUTING CONTRACTS



The DCA uses the Housing Pro computer program developed by Happy Software, Inc. to provide accurate, orderly and prompt issuance of housing assistance payments. This process involves the timely processing of required program documents, adherence to a verification standard that ensures accurate calculations, the disbursement of funds by the New Jersey Department of the Treasury, and an integrated program that also produces data management reports. Each of these activities is assigned as a separate function within the organizational structure of the program. The absence of autonomy minimizes the opportunity for repetitive error and serves as a viable control. It also imposes a second review of the required items in a participant's file.

County Field Offices

The submission of a Request For Tenancy Approval form will “stop the clock” during the term of the household's Voucher (see Chapter 7) when the Request For Tenancy Approval form meets all of the following conditions:

- The Request For Tenancy Approval form must be signed and dated by both the owner of the proposed unit and the head of household;
- The Request For Tenancy Approval form must have a copy of the owner's proposed lease agreement attached to it;
- The Request For Tenancy Approval form must be received by the program during the term of the household's Voucher;
- The Request For Tenancy Approval must contain the owner's telephone number(s), address and e-mail address, if available; and

- The Request for Tenancy Approval form must have a “Requested Beginning Date of Lease” (see item #3 on the form) that is not more than thirty (30) days beyond the expiration date of the household’s Voucher.

If the program disapproves the Request for Tenancy Approval form, a Notice of Disapproval (EXHIBIT 9-1) is sent to the household, and a copy is sent to the owner. This notice specifies the reason(s) for disapproval and establishes the deadline by which the household must submit another Request for Tenancy Approval form for the proposed unit or another rental unit.

The deadline specified in the Notice of Disapproval is not an extension of the Voucher as described in Chapter 7. This procedure does not increase the number of days a household has to conduct their housing search. The deadline stipulated in the Notice of Disapproval merely amends the expiration date identified on the household’s Voucher. The amended deadline reflects the number of days that the clock was officially stopped. The number of days is determined from the date the program receives the household’s Request for Tenancy Approval form and the date on the Notice of Disapproval. The resulting number of days is then used to adjust the expiration date of the Voucher accordingly. For example: The expiration date of a Voucher is the 15th of the month. A Request for Tenancy Approval form is submitted that “stops the clock” for three (3) days. The expiration date of the Voucher would be amended to the 18th of the month.

Program representatives are thoroughly trained to prepare and present the Request for Tenancy Approval, the lease agreement and the appropriate Housing Assistance Payments (HAP) Contract for a property owner’s signature. The program representative’s presentation includes a detailed explanation to the owner of all relevant program documents and emphasizes the importance of

immediately advising the field office regarding any change affecting the lease agreement and the HAP Contract.

Owners are advised that they must include the Tenancy Addendum, which contains all the language required by HUD, as part of their lease agreement. Program representatives are capable of evaluating whether the owner's standard lease agreement is acceptable under New Jersey law. Questions that require a legal interpretation of complex lease provisions are referred to the Office of Landlord/Tenant Information. The location of expert professionals within the same department greatly facilitates this process.

Program representatives allow sufficient time for a section-by-section review of the Housing Assistance Payments Contract with a property owner. When the owner agrees to participate in the program, his or her signature is secured on all required documents and the program representative performs verification of property ownership. The program representative is required to provide a written estimate (see EXHIBIT 9-2) to the household regarding the tenant's portion of the rent. During the term of the HAP Contract, any subsequent change in the tenant's portion of the rent requires the program representative to provide the household with the same written estimate at least thirty (30) days prior to the effective date of the change.

Case Review

In order to assure compliance with the regulations, the Field Office Supervisors audit each record that is entered into the Housing Pro database. These employees are trained to examine all aspects of the calculations necessary to determine the "tenant rent to owner" and the amount of the housing

assistance payment. The Field Office Supervisors also review the program forms and verification documents to confirm that:

- Appropriate forms and documents are included and executed properly by both the participant and the owner; and
- Appropriate verification documents are included and adhere to established verification standards (EXHIBIT A-1).

Cases that are complete are locked-in for payment by the Field Office Supervisor, or other authorized program representatives, in the Housing Pro computer program database. The software calculates tenant rent to owner and the amount of housing assistance payments in accordance with program regulations. It also generates the required notices to the participant and the owner (EXHIBIT 9-3) regarding the division in the rent to owner. A number of reports are produced for financial control and management of all Housing Assistance Payments Contracts in effect.

Rent Reasonableness Determinations

The stated purpose of HUD's rent reasonableness limitation is to ensure that a federally subsidized rent does not exceed the fair rental value of a comparable unit on the private unassisted market. To meet this objective, an initial and annual certification of rent reasonableness is performed for each housing unit selected for program participation. In addition, a rent reasonableness determination is required whenever there is a five (5) percent decrease in the published fair market rent (FMR) for the unit size rented by a participant as compared to the FMR in effect one (1) year before the household's contract anniversary.

The program uses two (2) methods to certify and document that a housing unit complies with the requirements of 24 C.F.R. §982.507, *Rent to owner: Reasonable rent*. The first method relies on the owner's certification. If the subject property is a building with more than four (4) units, the program will rely on the owner's certification on the Request for Tenancy Approval form. In section 12a of this form, the owner will certify to the rental amount, date rented, and unit address for three (3) comparable unassisted units on the premises. If the program confirms that the information provided by the owner is for comparable units and the rent for the subject unit is reasonable when compared to the unassisted units on the premises, no additional comparables are required.

The second method the program uses to certify and document that a housing unit complies with the rent reasonableness requirement is a unit-to-unit comparison. The design of the certification form used by the DCA for this function is based on the format suggested by HUD in the *Public Housing Agency Administrative Practices Handbook for the Section 8 Existing Housing Program* (7420.7, 11/79). The DCA form lists three (3) examples of gross rents currently being charged for comparable units in the private, unassisted market. A rental property is considered a comparable unit based upon the location, quality of construction, size, unit type, and age of the property.

The comparable units must be in the same municipality as the proposed unit and should be in the same neighborhood. For a unique unit (e.g. a barrier free unit or a special housing type), a broader search of the area may be necessary to locate true comparable housing units and these may therefore be in a different neighborhood or municipality. Every effort will be made, however, to locate comparable units in the same vicinity as the location of the proposed unit.

The comparable units must include the same number of bedrooms and be the same housing type as the proposed unit. The program categorizes housing into six (6) housing types:

1. *Single-family detached* includes building structures that house only one (1) family under one (1) roof.
2. *Semi-detached* includes units in duplexes and two (2) family homes.
3. *Low-rise* includes multifamily apartment buildings of five (5) or more units and up to four (4) stories. Also include five (5) or six (6) story buildings without an elevator.
4. *High-rise with elevator* includes buildings of five (5) stories or more with elevators
5. *Rowhouse/townhouse* includes structures with three (3) or more units side-by-side and under one (1) roof.
6. *Manufactured home* includes mobile homes.

The program will also consider any amenities, housing services, maintenance, and utilities to be provided by the owner.

The comparison of the rent of the subject unit to the rent of the comparable units listed on the Certification of Rent Reasonableness form is actually a comparison by gross rent (gross rent equals rent to owner plus the utility allowance). The gross rent of the subject unit must be equal to or less than the average gross rent of the comparable units listed on the program form.

All of the listed factors to determine that a unit is comparable to the subject unit will be considered but each of them does not have to be individually considered in order to determine the rent reasonableness of each assisted housing unit.

The most viable resource for identifying available housing is the property owners who participate in the program. Many participating owners recognize the program's benefits and inform the local field office of impending vacancies. The Vacant Unit Referral Form (EXHIBIT 7-7) was developed to create a list of available units of which the program is aware. This process has proven to be successful in advising Voucher holders of available housing that meets their particular needs, and for identifying available unassisted units for the purposes of rent reasonableness.

A new resource, the New Jersey Housing Resource Center (HRC), is another tool that is available to assist households who are searching for acceptable housing, and in making rent reasonableness determinations. The DCA partnered with the New Jersey Housing Mortgage Finance Agency to develop the HRC. The HRC is a database of affordable housing units located throughout the state of New Jersey. Property owners with vacant units may use web based services to list their units. Program participants in housing search may use the site to locate an affordable unit. This site may be accessed at <http://www.njhousing.gov> or by selecting the link for the New Jersey Housing Resource Center on the DCA Homepage.

Once the program has certified the rent for a unit as reasonable, the household is free to select the unit unless other sections of the program regulations specifically prohibit (e.g. ineligible housing, ineligible owner, or housing not meeting HQS) its inclusion.

Exception Payment Standard Amount as a Reasonable Accommodation

The DCA will request HUD Field Office approval of an exception payment standard amount above 110 percent of the fair market rent (FMR) to 120 percent of the (FMR) for a household that is otherwise eligible (see 24 C.F.R. §982.201) and includes a person with disabilities.

A certification from the DCA Field Office Supervisor on a Request for HUD Approval of Exception Payment Standard Amount form (EXHIBIT 9-4) explains how the rental property selected by the household addresses the disability of the household member. This certification describes how the unit's location, size, housing type, amenities, facilities, or specific adaptations/alterations made to it accommodate the household member's disabling condition.

The Field Office Supervisor submits the form to the attention of the Supervisor of Field Operations along with the following materials:

- Documentation that the household includes a person with disabilities; and
- A completed Certification of Rent Reasonableness form.

The Supervisor of Field Operations reviews the materials submitted by the Field Office Supervisor to ensure that the request for an exception rent is complete and includes all necessary documentation. A request determined to be incomplete is returned to the Field Office Supervisor with instructions for corrective action. Requests deemed to be complete are forwarded to the HUD Field Office for consideration.

When an exception payment standard is approved, and a HAP Contract is negotiated, the request form and the materials included with the original request are included in the file of record. If the

request is not approved, the Field Office Supervisor must advise the household and continue to assist them in their housing search.

Documentation of Property Ownership

In addition to the owner's certification on the Housing Assistance Payments Contract, it is the policy of the DCA to verify ownership of the assisted unit. The program representative, or staff member designated by the Field Office Supervisor, is responsible for confirming property ownership by reviewing and making a photocopy of the most recent municipal tax bill. A substitution may be used if it clearly identifies both the assisted unit and the owner as legally recorded. When the Field Office Supervisor is satisfied that ownership of the assisted unit has been verified, a copy of the document used to verify property ownership is included in the file of record. If a change in ownership occurs during the term of the HAP Contract, a Request for Transfer of the Housing Assistance Payments Contract form is executed. Court Orders directing housing assistance payments to be made to parties other than the owner specified on the Housing Assistance Payments Contract are forwarded to the supervisor of the Payment Auditing Section for review and final determination.

Notice of Disapproval

Dear Mr./Ms. XXXXXXXXXXXX :

This is a written acknowledgment that the *Request for Tenancy Approval* form that you submitted for the rental unit located at _____ was received on the ____ day of _____ 20 ____ . As indicated below, this *Request for Tenancy Approval* has been disapproved for the following reason(s):

<p>■ 1. The <i>Request for Tenancy Approval</i> was received after the expiration date of your Voucher.</p>	<p>■ 6. The <i>Request for Tenancy Approval</i> has a requested beginning date for the lease (Item #3) that is more than 30 days beyond the expiration date of your Voucher.</p>
<p>■ 2. You did not sign the <i>Request for Tenancy Approval</i> form.</p>	<p>■ 7. The proposed unit does not meet the program's housing quality standards. A copy of our program's inspection report is attached.</p>
<p>■ 3. The owner of the proposed rental unit did not sign the <i>Request for Tenancy Approval</i> form.</p>	<p>■ 8. The tenant-paid utilities are not separately metered.</p>
<p>■ 4. A copy of the owner's proposed lease was not attached.</p>	<p>■ 9. If the initial gross rent for a unit exceeds the payment standard, the family share must not exceed 40 percent of the family's adjusted monthly income.</p>
<p>■ 5. The <i>Request for Tenancy Approval</i> does not have a requested beginning date of the lease.</p>	<p>■ 10. Other _____ _____</p>

You are advised that your Voucher will expire on the ____ day of _____, 20 ____ . Any subsequent *Request for Tenancy Approval* that you submit to this agency, for the rental unit identified above or any other rental unit must be received no later than this date to be considered.

Sincerely,

Program Representative

cc: Owner

**Preliminary Estimate of Family Contribution
And Housing Assistance Payment**

<<Today's Date>>

Head of Household
Mailing Address
City, State and Zip Code

Dear Mr./Ms. XXXXXXXXXXXX :

Effective on (Date) , your portion of the rent is estimated to be \$. You will receive a final written determination of your contribution from our Payment Auditing Section in Trenton.

This estimate is for a:

- New Admission
- Annual Reexamination
- Interim Reexamination
- Portability Move-in

Rent to Owner	<<Contract Rent>>
Housing assistance payment to the Owner	<<HAP>>
Amount of rent you pay to the Owner	<<Tenant Rent>>

Please contact this office at <<PHA Phone>> if you have any questions regarding this estimate.

Sincerely,

Program Representative

cc: Owner
Tenant File

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Housing Assistance Payment and Family Contribution

<<Today's Date>>

<<Tenant Mailing Address>>

Re: Housing Assistance Payments Contract Number <<Tenant ID>>

Dear <<Tenant Full Name>>:

The Housing Assistance Program has determined your contribution and the Housing Assistance Payment to the Owner for the housing unit located at <<Unit Address>>.

Total monthly rent: \$<<Contract Rent>>

Amount of housing assistance the program pays to the Owner: \$<<HAP>>

Amount of rent you pay to the Owner: \$<<Tenant Rent>>

Additional payment to you for utilities: \$<<Utility Reimbursement>>

These payments are effective from <<Effective Date>> and will continue until <<Lease Date End>> unless the program authorizes an adjustment or the Housing Assistance Payments Contract is cancelled.

If you have any questions please contact <<User Name>> at <<PHA Phone>>.

cc: <<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

Request for HUD Approval of Exception Payment Standard Amount

Pursuant to 24 C.F.R. §982.503 of the federal regulations, a higher payment standard amount within the upper range (between 110 percent and 120 percent of the published FMR) is requested as a reasonable accommodation for the following household that includes a person with disabilities:

Head of Household Name _____

The household is: A Voucher holder, or Unit address: _____
 A program participant _____

Unit Size _____ Voucher Size _____ Number of Household Members _____

	<u>Current</u>	<u>Proposed</u>
Rent to Owner	\$ _____	\$ _____
Utility Allowance	\$ _____	\$ _____
Gross Rent of Unit	\$ _____	\$ _____

Requested beginning date of lease _____ Proposed Payment Standard _____

Does the family currently reside in the unit? Yes No Monthly Adjusted Income \$ _____

Describe the unique needs of the household that are met by this unit: _____

I certify that the requested gross rent for the subject unit is reasonable and that the unit cannot be rented for less.

Signature _____ Date _____
Field Office Supervisor

Pursuant to 24 C.F.R. §982.503 of the federal regulations, the requested higher payment standard amount for the household listed above is approved.

Signature _____ Date _____
Director, Office of Public Housing

MAKING PAYMENT TO OWNERS

All payments are disbursed by the New Jersey Department of the Treasury (Treasury). Specific dates for submission of payment orders to Treasury are established in advance for each month of the year.

The Housing Choice Voucher Program has set deadlines for entering records into the Housing Pro database to ensure coordination with the dates scheduled by Treasury. Program representatives are informed of the established deadlines, and therefore, can advise owners of the approximate payment date.

The accuracy of all payments is assured by the use of the Housing Pro computer program by Happy Software, Inc.

The DCA has established procedures to ensure the integrity of the payments system. These procedures require the Field Office Supervisors to review all cases once the required data is entered into the Housing Pro database. The Field Office Supervisors are responsible for reviewing and approving case documentation including family composition data, medical expenses, verification of income, and any other documents affecting the amount of housing assistance payments.

Following the review and approval of case documentation, the Field Office Supervisor, or other authorized program representative, will lock-in the record in the occupancy module of the computer program. Each month, this data is imported into the payments module to produce the housing

assistance payments to the owners and utility reimbursement payments to program participants. The Department of the Treasury disburses all payments at the beginning of each month.

If a Housing Assistance Payments Contract is terminated, the owner is given proper notice (EXHIBIT 10-1) as defined by the contract.

An annual function of the program's information and technology unit is to report housing assistance payments to the U.S. Department of the Treasury, Internal Revenue Service (IRS). Every participating property owner is made aware of this and provides their taxpayer identification number to enable the program to comply with IRS reporting requirements. IRS form 1099, Miscellaneous Income, is mailed to the property owners by the deadline imposed by the IRS. This information is also electronically submitted to the IRS.

Notice of Termination of Housing Assistance Payments Contract

<<Today's Date>>

<<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

RE: <<Tenant Full Name>>
<<Tenant ID>>

Dear <<Owner Salutation>>:

Please be advised that the Housing Assistance Payments Contract negotiated on behalf of <<Tenant Full Name>>, for the unit located at <<Unit Address>>, has been cancelled effective <<Termination Date>> in accordance with program regulations.

Therefore, the program will no longer make housing assistance payments for this dwelling unit after the date specified above.

Should you require any additional information, please contact your program representative at <<PHA Phone>>.

Sincerely,

Housing Assistance Element

cc: <<Tenant Mailing Address>>

CERTIFYING AND RECERTIFYING HOUSEHOLD INCOME

The DCA emphasizes the obligation of the head of household to report all sources of income to the program. It is the responsibility of the head of household to know of all income changes for all household members and to report same to DCA within ten (10) days of the change, in writing. The program will document all income reported, but will only count as income that which is defined as income by the program regulations (see 24 C.F.R. §5.609). Any change in the household's total annual income must be reported to the program, in writing, within ten (10) days.

The verification standards used by the DCA to determine annual income are not unduly restrictive, but still minimize the potential for fraud and program abuse. A summary of the DCA's verification standards is presented in EXHIBIT A-1 of Appendix A, Determination of Tenant Rent to Owner. Appendix A, which also contains examples of the forms that are used to compile and verify a household's total annual income and the calculation of their share of the rent.

The preferred method of verification is written documentation from a third party. A notarized certification from the household may be accepted when third party verification is not possible. The person who notarizes a document submitted to the program may not be an employee of the program.

All verification documents must be dated and current. The date on a document used to determine initial program eligibility and initial total tenant payment must not be dated more than sixty (60) days before the issuance date of a Voucher. At the time of execution of a HAP Contract, the program

representative will reconfirm household composition and total annual income. If, according to the family, circumstances have not changed the program does not have to obtain new verifications.

If a change in circumstances has occurred, new verifications must be obtained.

For annual reexaminations and interim reexaminations of household income and composition, a 120 day validity period is the standard.

Regardless of the circumstances (annual or interim) that require a reexamination to be scheduled, a household's refusal to submit the requested verification materials or to sign an Authorization for the Release of Information/Privacy Act Notice form is sufficient reason to terminate their participation in the program.

The DCA has a cooperative agreement with the New Jersey Department of Labor, a State Wage Information Collection Agency (SWICA), to obtain income information about program applicants and participants in accordance with 24 C.F.R., Part 5, Subpart B. The program can electronically access information about an individual's wages and unemployment benefits directly from the Department of Labor's database. The program also has electronic access to a household's credit history. This information is compared to what the household has reported as their income to identify any inconsistencies and to ensure that the information reported to the program is complete and accurate.

In recent years, the program has expanded these activities due to the advent of HUD's Enterprise Income Verification (EIV) System. This system offers the advantage of providing more than wage

and unemployment benefits information. It also furnishes the program with information on Social Security, Medicare, Supplemental Social Security Income, and disability benefits.

Whenever the determination of family rent to owner results in a housing assistance payment equal to zero, a Notice of Suspension of Housing Assistance Payment (EXHIBIT 11-3) is sent to both the participant and the landlord.

Annual Reexaminations

The Housing Pro computer program provides a report that lists all participants who are scheduled for annual reexamination during a particular month. This system also produces a written notice to the household (EXHIBIT 11-1) that outlines the standard procedures for reexamination. These reports are produced at the field offices and the Field Office Supervisors use them to make work assignments for their program representatives. The program representatives are responsible for documenting all household income and verifying that the household is complying with all other requirements for participation. For greater program integrity, case assignments are alternated each year, whenever possible, to prevent a program representative from receiving the same case assignment two (2) years in a row.

Interim Reexaminations

Program regulations require participants to inform the program of the birth, adoption or court awarded custody of a child. Except under these three (3) specific situations, the household must request the program's approval to add any other person as an occupant of the assisted unit. This approval must be requested prior to the person moving in to the assisted unit. It is also an obligation of the household to notify the program, in writing, within ten (10) days if a household member no longer resides in the assisted unit.

Program participants are required to provide written notice to the program, within ten (10) days, of any change in household composition. Households are advised of this policy in the **Guide to the Housing Choice Voucher Program** (Appendix B). An interim reexamination Family Report (HUD form 50058) is completed as evidence of the household meeting its regulatory obligation and acknowledgment by the DCA that the change is officially approved.

The policies of the DCA regarding interim changes in household income are presented in EXHIBIT 11-2. A reduction in tenant rent to owner can take effect on the first of the month, if the household adheres to the required reexamination procedures and the documentation that is received meets the verification standards. If the tenant rent to owner is increased, the change will become effective on the first of the month, but the household must be given a minimum of thirty (30) days advance written notice of the increase.

Special Circumstances

If it is not feasible to anticipate a level of income over a twelve (12) month period, the income anticipated for a shorter period may be annualized, subject to a reexamination at the end of the shorter period. The objective is to avoid repetitive adjustments in tenant rent to owner and to document the most appropriate income to accurately project total annual income.

A household reporting no income source must certify this status on a month-to-month basis. This certification (EXHIBIT A-3) by the head of household is required until an income source is verified.

Notice of Reexamination Appointment

<<Today's Date>>

<<Tenant Full Name>>

<<Tenant Address>>

<<Tenant CSZ>>

Dear <<Tenant Full Name>>:

Housing assistance provided to you at your current address is scheduled to terminate on <<Recert Date>> unless the information in your file is updated. If you wish to have your housing assistance continued, you and all members of your household age 18 and over must complete each of the enclosed forms as follows:

1. Authorization for the Release of Information. This form must be signed by you and all persons age 18 and over who will reside in the assisted unit.
2. Tenant Information Form. This form must be completed and signed by you. All current income information (wages, Social Security, bank accounts etc.) for all persons who will reside in the assisted unit must be provided as well as any documentation for medical or child care expenses, if applicable.

In addition, you must provide, if you have not done so already, Social Security cards and birth certificates for all members of your household. Please have these documents, and any other requested documents with you at your recertification appointment. We have scheduled your recertification appointment at our office for the following date and time:

Appointment Date: <<Appointment Date>> Appointment Time: <<Appointment Time>>

If you are unable to keep this appointment you must notify us immediately at <<PHA Phone>> so we can reschedule. Failure to keep this appointment for any reason may result in the termination of your housing assistance.

Sincerely,

<<User Name>>

INTERIM REEXAMINATION POLICY

Pursuant to program regulations, a participant may request an interim reexamination of household income or composition because of any changes since the last determination by the program. Verification rules are the same as those used for annual reexaminations, except only those factors that changed will need to be verified at an interim reexamination. (The program does not apply a new payment standard amount for interim reexaminations.)

The policy of the DCA to make a change in the tenant rent to owner because of an interim reexamination is as follows:

Increasing the Tenant Rent to Owner

The DCA will increase the tenant rent to owner only under the following circumstances:

- The household reports that a member of the household is now receiving income from a new income source; or
- The household reports an increase in their total annual income that is equal to or greater than 10 percent of the household's current annual income.
- The household reports a new household member who has income that must be included in the family's total annual income.

All changes in income must be reported to the field office, in writing, within ten (10) days. Such changes must be reported within ten (10) days of the commencement of employment or training period, not when the first paycheck is received.

Decreasing the Tenant Rent to Owner

The DCA will decrease the tenant rent to owner if the household requests an interim reexamination of household income or composition and the reexamination of the household's current circumstances corroborates that a reduction in the tenant rent to owner would result.

Note: Documentation of the household's current circumstances must meet the DCA's verification requirements (see Appendix A-1).

Note: A participant in the Family Self-Sufficiency Program who receives an increase in wages may request an interim reexamination to establish an escrow account or to increase an existing escrow account.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Suspension of Housing Assistance Payments

<<Today's Date>>

<<Tenant Full Name>>
<<Tenant Address>>
<<Tenant CSZ>>

Dear <<Tenant Full Name>>:

The Housing Assistance Program has determined that you have breached your Housing Assistance Payments Contract with the program because you have failed to maintain the assisted unit in accordance with the housing quality standards.

Unit Address: <<Unit Address>>
<<Unit CSZ>>
Tenant Name: <<Tenant Full Name>>

The suspension of housing assistance payments is effective on: <<Effective Date>>.

Housing assistance payments will be suspended until such time as the program verifies that you have taken the proper corrective actions. Resumption of housing assistance payments will only be for the time period after corrective action has been completed and verified. If you require additional information, please contact our office at <<PHA Phone>>.

Sincerely,

<<Inspector>>

<<Tenant Mailing>>

cc: <<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

PORTABILITY

Before the program will issue a new Voucher to a participant household, the household must comply with the regulatory requirements concerning a move with continued assistance (see 24 C.F.R. §982.314). The effective date of the Voucher and the actual date of issuance cannot be more than sixty (60) days before the termination date of the HAP Contract. This policy prevents duplicative housing assistance being provided to a household unless an emergent reason exists, both PHAs agree, and the overlap of housing assistance does not exceed one month (see 24 C.F.R. §982.311(d)). For example: A participant provides thirty (30) or sixty (60) days advance written notice of his or her intention to vacate the assisted unit on the 31st of May. The program must first verify that the notice is in accordance with the lease and verify that the household is otherwise eligible. If the household is otherwise eligible, the earliest issuance and effective date for the new Voucher is the 1st of April.

A household may move more than once under the portability procedures but a subsequent portability move to another PHA's jurisdiction will be limited to not more than one (1) in any twelve (12) month period.

All portability cases must be evaluated to determine if the household is in good standing prior to being approved to port. Any household that has entered into a repayment agreement with the DCA must be in good standing with regard to that agreement (i.e. making all payments in a timely fashion) before being approved for a port. Cases will be reviewed, and determinations made, on a case-by-case basis.

Moves within the Jurisdiction of the DCA

Responsibilities of the Initial Field Office

- Complete a Family Report (HUD form 50058).
- Verify the household's current total annual income.
- If the household is an applicant, determine if the household is income eligible in the jurisdiction of the receiving DCA field office. If the household is a participant of the program, income eligibility does not have to be reexamined.
- Issue a Voucher to the household if determined eligible. (A Tenant ID number is not required, but the Field Office Supervisor of the initial field office must sign the Voucher.)
- Provide a cover memo to the receiving field office with any pertinent information regarding the household.
- For original certifications, the original application and verification of preference(s) are required.
- Forward the required items to the supervisor of the receiving field office.

Responsibilities of the Receiving Field Office

- Treat the household as a current participant of the field office's Housing Choice Voucher Program who wants to relocate to a new unit.
- Verify total annual income to determine the tenant rent to owner.
- Assign a Tenant ID number to the Voucher.

Portability Move-In Cases

Responsibilities of the DCA Portability Coordinator

- Review the portability request for compliance with HUD regulations.
- If the portability request is complete, forward it to the appropriate field office.
- Inform the initial PHA whether the DCA will accept the household into its program or bill the initial PHA.
- Obtain an Authorization for Release of Information and run a criminal background check in accordance with DCA policies.

Responsibilities of the Receiving Field Office

- Review the documents provided by the initial PHA.
- Send a letter (EXHIBIT 12-2) to the household acknowledging receipt of the transfer.
- Determine the household's total annual income.
- Identify the case as a portability transfer in the "Port Status" field on the Initial Data screen of the Housing Pro system.
- Advise the portability coordinator of the final disposition of the case at least ten (10) workdays prior to the billing deadline.

Portability Move-Out Cases

Responsibilities of the Sending Field Office

Forward the following items to the DCA portability coordinator:

- The household's Request for Portability (EXHIBIT 12-1) identifying the jurisdiction to which the household wishes to relocate and the name and address of the receiving PHA.
- Part I of the Family Portability Information form (HUD form 52665).
- An active Voucher (with an assigned Tenant ID number).
- A copy of the current Family Report (HUD form 50058).
- Verification of income and assets listed on the current Family Report form. (The verification information sent to the receiving housing agency will include the household's Income Report from the U.S. Department of Housing and Urban Development's Enterprise Income Verification system, if the information is available for the household.)

Responsibilities of DCA's Portability Coordinator

- Forward the required documents to the receiving PHA.
- Inform the sending field office of the receiving PHA's final disposition of the case.

When the issuance of Vouchers and leasing is constrained by the budget, the portability coordinator may deny a household's request to move because of insufficient funding¹ in accordance with 24 C.F.R. §982.314(e)(1) except in the following circumstances:

- The receiving PHA has a payment standard that is equal to or less than the DCA's payment standard.
- The receiving PHA's payment standard is more than the DCA's payment standard, but the receiving PHA agrees to absorb the cost of the transfer.

¹ These procedures apply if the number of assisted units equals or exceeds 97 percent of the HUD baseline number of units, or if spending levels are estimated to be at or exceed 97 percent of budget authority.

Request for Portability

Part I. To Be Completed By the Head of Household (Please Print)

Name _____ SS# _____

Address _____

City/State _____ Zip _____

Telephone Number: Home _____ Work _____

Complete the following regarding the jurisdiction you want to move to:

Municipality _____

County _____ State _____

Name of Public Housing Authority _____

Address _____

City/State _____ Zip _____

Telephone _____

Name of the Portability Officer _____

Signature of the Head of Household _____

Part II. To Be Completed By the DCA Field Office Supervisor

Voucher Number _____

The household is:

- A Voucher holder; or
- A program participant in good standing.

If a Voucher holder, I have verified that the applicant household is income eligible in the receiving PHA's jurisdiction.

If a program participant, the HAP Contract termination date is: _____

Signature _____ Date _____

State of New Jersey
Department of Community Affairs Division of
Housing and Community Resources Field Office
Address
City, State and Zip Code

<<Today's Date>>

Name
Address
City, State, Zip Code

Dear Mr./Ms. _____ :

Our office has received your request to move to the jurisdiction of this agency. Before we can proceed with the transfer, however, we must schedule a program briefing. This briefing ensures you that you have the information and the materials that are required by the Housing Choice Voucher Program regulations. Your attendance is mandatory and lease negotiations will not begin until you have had the benefit of a program briefing.

Please follow the instructions for the item that is checked:

- 1. Please contact your program representative, _____, at <<PHA Phone>> to schedule your program briefing.
- 2. Your program briefing is scheduled for _____, 20 ____ at _____ a.m./p.m. at our office, which is located at the above address.
- 3. A program representative will contact you to schedule you for a program briefing.

If item 1 or item 2 is checked, please contact this office at <<PHA Phone>> to schedule your program briefing or to confirm your attendance at a scheduled program briefing. If you do not contact this office by _____, we will assume that your household is no longer interested in transferring to the jurisdiction of this office and your file will be returned to the initial public housing agency.

Sincerely,

Field Office Supervisor

REVIEWING AND ADJUSTING UTILITY ALLOWANCES

The DCA reviews changes in utility rates annually. The review period coincides with the annual publication of the Fair Market Rent guidelines in the *Federal Register*.

The DCA has adopted a schedule of utility allowances based upon a modification of form HUD 52667 (12/97) which was circulated as Change 2 of Handbook 7420.8. This form did not feature utility rates for units larger than five (5) bedrooms. The DCA will use the five (5) bedroom utility rates for units with more than five (5) bedrooms. The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance (see 24 C.F.R. §982.604(b)).

The national norms for utility consumption contained in Handbook 7420.8, Change 2, are used except when local data was obtained from the Board of Public Utilities or utility suppliers. The average unit size (2.5 bedrooms) costs were adjusted by the factors used in Handbook 7420.8 to determine the costs for the various bedroom sizes:

Size of Unit	Factor
0 bedroom	0.5
1 bedroom	0.7
2 bedroom	0.9
3 bedroom	1.1
4 bedroom	1.4
5 bedroom	1.6

This schedule features a separate set of heating allowances for the six (6) structure types identified on the Family Report (HUD form 50058):

1. *Single-family detached* includes building structures that house only one (1) family under one (1) roof.
2. *Semi-detached* includes units in duplexes and two (2) family homes.
3. *Low-rise* includes multifamily apartment buildings of five (5) or more units and up to four (4) stories. Also included are five (5) or six (6) story buildings without an elevator.
4. *High-rise with elevator* includes buildings of five (5) stories or more with elevators.
5. *Rowhouse/townhouse* includes structures with three (3) or more units side-by-side and under one (1) roof.
6. *Manufactured home* includes mobile homes.

The differentials used to arrive at the heating costs for the various structure types are based on the average differential for these categories when compared to the single family detached category in the June, 1990 General Accounting Office publication, *Rent Burdens in Public Housing and Section 8 Housing Programs*. The differentials are:

Structure Type	Differential
• Single family detached	1.00
• Semi-detached	0.77
• Low-rise	0.55
• High-rise with elevator	0.55
• Rowhouse/townhouse	0.55
• Manufactured home	1.00

The DCA will approve a lease if the utility responsibilities of the tenant are separately metered. An exception to this policy will be considered in the case of a shared housing unit.

REINSPECTING UNITS UNDER CONTRACT

Annual inspections are performed in accordance with the housing quality standards (HQS) performance requirements and acceptability criteria (24 C.F.R. §982.401), except for those variations identified in Chapter 8. To begin the inspection cycle, the Field Office Supervisors use the Housing Pro system to produce a report listing the annual reexaminations that are scheduled for a particular month. Inspections are assigned to a program representative other than the one who inspected the unit last year, whenever possible, to ensure objectivity. The Housing Pro system also generates the notices to the program participants (EXHIBIT 14-1).

These inspections are conducted to provide on-site verification that the owner is meeting his or her obligation to maintain the unit under contract and that he or she is providing the services and utilities as specified in the lease agreement. It also affords the opportunity to document the present condition of the unit and to determine rent reasonableness before negotiations with the owner begin. Annual inspections are performed in the same manner as initial inspections and the results are recorded on the Inspection Form (HUD form 52580-A) or the DCA's Inspection Form. If a fail item is identified, the owner is notified in writing (EXHIBIT 14-4) and is provided with thirty (30) calendar days in which to correct any routine violations. The program may provide the owner with an extension of the deadline based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or another valid reason. If a defect is life threatening, the owner must correct the defect within no more than twenty-four (24) hours. If an owner fails to take corrective action by the deadline, or DCA approved extension, the HAP Contract is terminated unless a suspension of housing assistance payments (see EXHIBIT 14-3) has

been implemented. The program's policy regarding a breach of the HQS by the household is presented in EXHIBIT 14-5.

Special Unit Inspections

There are two (2) circumstances when a special inspection may be conducted to determine if an assisted unit is in compliance with the housing quality standards:

1. An HQS evaluation is requested by an owner to ascertain a unit's acceptability for potential program participation; or
2. To verify the existence of an HQS deficiency in response to a complaint received for a unit under contract.

The first situation does not represent a substitute for an initial inspection, but is more closely aligned with those owner outreach activities described in Chapter 3. The second situation, however, requires immediate attention and investigation because of the HAP Contract's conditions that stipulate primary responsibility and uninterrupted compliance by the owner.

The program responds to complaints received from participant households and reliable sources regarding alleged HQS deficiencies. A reliable source is limited to an authorized representative of a public or private social services agency, or a household member who does not live in the assisted unit but provides for the well-being of the assisted household.

The severity of the condition or HQS violation reported determines the required action, extent of action, and whether an on-site inspection is required. This activity is performed in conjunction with

appropriate New Jersey statutes governing the required actions of landlords and tenants. This policy is as follows:

HQS Violations

If a participant contacts a DCA field office regarding a HQS violation, the household is advised to send a written notice of the situation to the property owner and a copy of the notice to the field office. Any such notice should immediately be followed with a phone call by the household to the property owner.

Upon receipt of the household's letter, the field office will attempt to contact the household within five (5) business days. If the problem has been corrected, the household's file will be documented accordingly. If the problem has not been corrected, but corrective action is scheduled, the file is documented and the household is instructed to advise the field office when corrected measures have been completed. If the problem has not been corrected and there is no indication that the owner has taken any action, the field office will schedule and conduct a special inspection. If the unit fails the HQS inspection, any routine violations of the housing code must be corrected within thirty (30) days, or by any DCA approved extension. If the violations are not corrected by the deadline date, the field office will suspend payment (see EXHIBIT 14-3) or terminate the HAP Contract.

HQS Violation That Is Life Threatening

If a participant contacts the program regarding a serious HQS violation, the household is advised to contact the property owner as soon as possible and, if appropriate, the public utility company, or the local police, fire or health department. The field office will schedule a special inspection with the household at that time. If the special inspection indicates the problem has been resolved, the file is

documented and no further action is necessary. A special inspection is not limited to the reported violation(s). A record is made of any other HQS violations that are detected during the inspection.

If the special inspection reveals the problem has not been resolved, the field office will notify the property owner of the violation in writing and provide the owner with twenty-four (24) hours to correct the defect. The program will abate or suspend housing assistance payments to the owner for failure to correct an emergency or life threatening violation by the deadline (see EXHIBIT 14-3).

When the substandard condition(s) have been corrected, payments may resume.

These procedures place ultimate responsibility for the correction of any HQS violation found during a complaint inspection with the owner. (See EXHIBIT 14-5 for the program's policy regarding a breach of the HQS caused by the household.)

Although a landlord/tenant dispute concerning the lease is not grounds for a complaint inspection (unless it results in a HQS violation), the program will offer its services as mediator for either the tenant or landlord. The laws of the state of New Jersey, as summarized in the statement prepared pursuant to the Truth in Renting Act, N.J.S.A. §46:8-43 *et seq.*, are the basis for resolving disputes of this nature.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Inspection Notification Letter

<<Today's Date>>

<<Tenant Name>>
<<Tenant Mailing Address>>
<<Tenant CSZ>>

<<Dear Tenant Full Name>>:

Under federal regulations, all housing units occupied by families receiving rental assistance must be inspected at least once a year. An inspection of the housing unit you currently occupy is scheduled as follows:

Date: <<Inspect Date>>

Time: <<Inspect Time>>

Unit: <<Unit Address>>
<<Unit CSZ>>

If you cannot be present on the inspection date, you must call <<Inspector>> at <<PHA Phone>> and arrange for an alternative inspection date.

cc: <<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice of Suspension of Housing Assistance Payments Contract

<<Today's Date>>

<<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

Dear <<Owner Name>>:

The Housing Assistance Program has determined that you have breached your Housing Assistance Payments Contract with the program because you have failed to maintain the assisted unit in accordance with the housing quality standards.

Unit Address: <<Unit Address>>
<<Unit CSZ>>

Tenant Name: <<Tenant Full Name>>

The suspension of housing assistance payments is effective on: <<Effective Date>>.

Housing assistance payments will be suspended until the program verifies that you have taken the proper corrective actions. Resumption of housing assistance payments will only be for the time period after corrective action has been completed and verified.

If you require additional information, please contact our office at <<PHA Phone>>.

Sincerely,

<<User Name>>

Copy to: <<Tenant Mailing>>

Guidelines for the Suspension of Housing Assistance Payments

The terms of the Housing Assistance Payments Contract permit the DCA to reduce the amount of housing assistance or terminate the contract when a property owner fails to maintain and operate the contract unit and related facilities in decent, safe and sanitary conditions. These procedures outline the requirements to suspend payments or terminate a contract when an assisted unit fails an annual inspection or a special inspection. A HAP Contract may be suspended for a maximum of 180 days (see 24 C.F.R. §982.455, *Automatic termination of HAP Contract*).

Annual Inspections

- Written notice of any HQS violations, and the deadline to correct the violations, is sent to the property owner (see EXHIBIT 14-4).
- When the owner certifies that the required repairs have been completed by returning a signed copy of the *Inspection Summary*, a reinspection of the unit is scheduled (unless the Field Office Supervisor decides to rely on the owner's certification and the tenant's confirmation that the required repairs have been completed).
- If the owner does not contact the program by the repair deadline, the program will contact the owner and/or the tenant to determine if the unit is ready for reinspection.
- If the unit is not ready for reinspection, the program may provide the owner with an extension of the deadline based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or another valid reason.

- If the violations are not corrected by the deadline, or within the extension period, the program representative will suspend or abate future housing assistance payments.
- If the household has given proper notice to vacate, a new Voucher is issued to the household unless the program has grounds to deny issuance (see 24 C.F.R. §982.552, *PHA denial or termination of assistance for family*).
- If the violations are corrected during the housing search period, housing assistance payments may resume, however, housing assistance payments will not be made for the period the unit did not comply with the HQS.
- If the necessary repairs are not completed by the deadline, the HAP Contract is terminated and a new Voucher is issued to the household unless the program has grounds to deny issuance.
- The rent to owner may be adjusted when the unit complies with the HQS.

Special Inspections

- A special inspection is scheduled if a program participant contacts the program about a serious HQS violation.
- If the unit fails the inspection because of a life threatening condition, written notice of the HQS violation, and the deadline to correct the violation, is sent to the property owner (EXHIBIT 14-4).
- If the violation has not been corrected by the deadline, the program representative will suspend or abate future housing assistance payments.

- Housing assistance payments may resume when the HQS violation has been corrected. To resume payments, the program representative removes the abatement from the Transactions screen of the Housing Pro system.
- If the program participant notifies the program that the household wants to relocate, or if the household is required to move because of overcrowding, a new Voucher is issued as soon as possible, unless the program has grounds to deny issuance of a new Voucher (see 24 C.F.R. §982.552, *PHA denial or termination of assistance for family*).
- The household must give the property owner proper notice in accordance with the lease. A participant may give a shorter notice than the lease requires if circumstances warrant, for example: lack of heat, contaminated water, or other serious conditions that would jeopardize the health and safety of the members of the household.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Inspection Fail Notice

<<Today's Date>>

<<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

Dear <<Owner Name>>:

On <<Inspect Date>>, this office conducted an inspection of your dwelling unit located at <<Unit Address>> in <<Unit City>> occupied by <<Tenant Name>>. We have determined that the following corrective action is required to place this dwelling unit in compliance with the federal housing quality standards (HQS):

(See attached inspection report)

The above repairs must be completed within 30 calendar days of the date of this letter. Repairs must be completed no later than << Today's Date Plus 30>>. Please sign and return to the above address as soon as the repairs are completed. A reinspection will be set up upon receipt of this letter signed by you acknowledging that all repairs have been completed. Failure to complete these repairs will result in the housing assistance payments being abated. No further payments will be made until the unit satisfactorily passes the HQS.

If you have any questions about this inspection please contact this office at <<PHA Phone>>.

Sincerely,

<<Contact>>

I certify that all repairs to items listed above were completed on _____

X _____
owner/landlord

Date _____

cc: <<Tenant Name>>
<<Tenant Address>>
<<Tenant CSZ>>

Breach of the Housing Quality Standards by the Household

The program regulations at 24 C.F.R. §982.404(a)(4) state that: “The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible (as provided in §982.404(b) and §982.551(c)). (However, the PHA may terminate assistance to a family because of HQS breach caused by the family.)” These procedures allow the owner to continue receiving housing assistance payments while affording the household an opportunity for an informal hearing prior to termination of the HAP Contract.

The following procedures are used to enforce the household’s obligations regarding the HQS and to initiate the termination process in accordance with 24 C.F.R. §982.552.

Annual Inspections

- The tenant is notified in writing of the HQS violation(s) and the deadline to correct the violation(s) (see EXHIBIT 14-6 and EXHIBIT 14-7).
- The program representative may provide the tenant with a deadline extension based upon the nature of the work, to allow for the late delivery of supplies, difficulty in scheduling contractors, inclement weather, or another valid reason.
- If the violation(s) have not been corrected by the deadline, or any DCA-approved extension, the program representative will suspend or abate future housing assistance payments.

- The program representative must commence the program's standard termination procedures. A Warning of Adverse Action (EXHIBIT 16-4) is mailed to the household and an Initial Notice to Terminate Housing Assistance Payments Contract (EXHIBIT 16-3) is sent to the owner.

Special Inspections

- A special inspection is scheduled if a program participant contacts the program about a serious HQS violation.
- The tenant is notified in writing of the HQS violation(s) and the deadline to correct the violations (see EXHIBIT 14-6 and EXHIBIT 14-7).
- If the violation(s) have not been corrected by the deadline, standard termination procedures are instituted. A Warning of Adverse Action (EXHIBIT 16-4) is mailed to the household and an Initial Notice to Terminate Housing Assistance Payments Contract (EXHIBIT 16-3) is sent to the owner.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice to Tenant For Repairs to an Assisted Unit

<<Today's Date>>

<<Tenant Mailing>>

Dear <<Tenant Full Name>>:

An inspection of your housing unit was completed in compliance with the U.S. Department of Housing and Urban Development's requirements for the Housing Choice Voucher Program.

The inspection revealed a number of conditions that failed to meet the federal housing quality standards (HQS). The item(s) indicated as "failed" on the attached *Inspection Summary* report are the responsibility of your household to correct. You are further advised that it is a regulatory obligation (24 C.F.R. §982.551(c)) for a participant in the Housing Choice Voucher Program to correct a HQS violation caused by the household. Written consent of the landlord must be obtained before any repairs are started.

The deadline for correction of the violation(s) is <<Repair Due Date>>.

When the HQS violations have been corrected, please sign, date and return the attached *Inspection Summary* report to me. Upon my receipt of this certification, a reinspection of your rental unit will be scheduled. Failure to provide the required certification by the deadline will be considered as evidence that you do not intend to correct the HQS violation(s) and procedures to terminate your household's participation in the Housing Choice Voucher Program will be implemented.

Please contact me at <<PHA Phone>> if you require any additional information or clarification regarding this matter. Thank you for your cooperation.

Sincerely,

<<User Name>>

cc: <<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice To Tenant To Restore Utility Service

<<Today's Date>>

<<Tenant Mailing>>

Dear <<Tenant Full Name>>:

Our office has learned that you are in violation of your lease agreement for failure to maintain the utility service(s) that are your responsibility. As indicated below, you are not providing the following utility service(s):

- Gas
- Electricity
- Fuel oil
- Water
- Sewer

Your failure to maintain the utilities means that your housing unit is not in compliance with the program's housing quality standards and that you have violated one of your regulatory obligations (24 C.F.R. §982.551) as a participant.

Utility services(s) must be restored on or before _____.

Unless you bring documentation to my office before the above deadline that verifies utility services has been restored to your unit, procedures to terminate your household's participation in the Housing Choice Voucher Program will begin. Acceptable documentation is a paid bill from the utility company showing that your account is current or a letter from the utility company stating that the service has been restored and the date when the utility was turned back on.

Please contact my office at <<PHA Phone>> if you have any questions regarding this matter.

Sincerely,

<<User Name>>

cc: <<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Inspection Final Warning Letter

<<Today's Date>>

<<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

Dear <<Owner Name>>:

On <<Repair Letter Date>>, this office sent you a letter following an inspection of your dwelling unit located at <<Unit Address>> in <<Unit City>> occupied by <<Tenant Name>>.

That letter stated that repairs to your unit were required to place the unit in compliance with the housing quality standards (HQS). As of this date, our records indicate that all of the required work has not been completed and inspected. These repairs must be completed or your rental assistance payments will be abated. Payment cannot be made on a unit that is substandard. Below is a listing of the required repairs that have not been completed:

(See attached inspection report)

If you have any questions please contact this office at <<PHA Phone>>.

Sincerely,

<<Contact>>

cc: <<Tenant Name>>
<<Tenant Address>>
<<Tenant CSZ>>

ADJUSTING CONTRACT RENTS

Upon the property owner's request, the rent to owner may be increased on the anniversary of the Housing Assistance Payments (HAP) Contract, or at least sixty (60) days after the program receives the owner's request. A rent adjustment is conditional, however, on the unit satisfying the requirements of the housing quality standards and the owner's compliance with the terms and provisions of the dwelling lease and the HAP Contract. The owner and the family are responsible for negotiating the new rent to owner, but the amount of increase is subject to the rent reasonableness limitation.

Annual Adjustments

The DCA has developed a program form, Transmittal Report for an Annual Reexamination, which functions as documentation of the reexamination process. The purpose of this form is to specify the HUD and DCA forms that are required at reexamination and to identify the new rent to owner. This document is to be signed by the participant after the eligibility of the unit has been determined. Whenever feasible, this document is to be signed by the property owner. Although program regulations provide for an annual extension of an assisted tenancy, it is the policy of the DCA to secure these signatures as an acknowledgment of rent negotiations. Unless negotiated by the property owner or his or her agent, an allowable increase in the rent to owner is not automatically approved.

Interim Adjustments

The Housing Assistance Payments Contract Amendment allows for the correction of an administrative error, but is primarily used to make an increase in the rent during the certification

period. It also may be used to approve a HUD authorized rent increase or to approve an increase in the rent on the tenant's anniversary date rather than on the anniversary of the HAP Contract.

All increases require proper documentation, the signature of the property owner, the signature of the head of household, and the approval of the program manager.

**INFORMAL REVIEW PROCEDURES FOR APPLICANTS AND INFORMAL
HEARING PROCEDURES FOR PARTICIPANTS**

The purpose of the DCA's informal review process and informal hearing process is to ensure that a decision to deny or terminate housing assistance complies with the regulations of HUD and the administrative policies of the DCA. The regulatory grounds (24 C.F.R. §982.552, *PHA denial or termination of assistance for family*) for denying assistance to an "applicant" and terminating housing assistance to a "participant" are the same. This regulation allows the program to deny or terminate housing assistance at any time when one (1) of the stipulated grounds is present. The DCA, however, recognizes its administrative responsibility to ensure that the required procedural protections of due process are provided.

These policies are established to maintain a reasonable balance between avoiding an erroneous denial or termination of housing assistance and the need to have effective and expeditious procedures for determining facts. As noted by HUD in the preamble to the 1984 rule⁹ that originally promulgated the regulatory requirements for informal reviews and informal hearings, "a PHA is not constitutionally required to provide any administrative due process hearing on PHA determinations to grant or deny participation to an applicant" because "neither the statute nor the regulation create any property right to assistance under the Act." This distinction is maintained in the following description of the DCA's informal review and informal hearing procedures. Both procedures comply with the basic intent of the regulation to inform a household of the basis for the program's decision and to provide the opportunity for the household to present its objection.

⁹ *Federal Register*, March 29, 1984, p. 12225

Informal Reviews for Applicants

The program's informal review process is conducted in accordance with 24 C.F.R. §982.554, *Informal review for applicant*.

An informal review must be requested in writing within twenty (20) days after the initial decision was mailed to the household's last-known address. The request should include the name, address, telephone number and e-mail address (if applicable) of the applicant and the factual basis or reasons why he or she wants an informal review. The applicant is given an opportunity to present written or verbal objections to the decision. A program supervisor not involved in the initial decision will review the evidence and provide the applicant with a written notice of the final decision that includes a brief explanation of the decision.

Applicants are promptly notified in writing of the decision and reasons for denial of:

1. Listing on the waiting list;
2. Issuance of a Voucher;
3. Participation in the program;
4. Verification of a selection preference; or
5. Assistance under portability procedures.

The notice denying placement on the waiting list (EXHIBIT 4-2) states the applicant's right to request and the procedures to obtain an informal review. The notice denying issuance of a Voucher or participation in the program (EXHIBIT 4-3) states the applicant's right to request and the procedures to obtain an informal review. The notice denying verification of a selection preference (EXHIBIT 5-5) states the applicant's right to request and the procedures to obtain an informal

review. When there are an extensive number of applications already on a county's waiting list and the waiting list has been closed, applicants are notified in writing (EXHIBIT 4-5) that the waiting list is closed and that their applications will not be accepted. The act of closing the waiting list is considered one of the discretionary, administrative decisions of the program that does not require the program to afford an applicant with an informal review.

Informal Reviews for Participants

A participant who requests a hearing for a decision regarding a matter that is not subject to a hearing may be afforded an informal review. If granted, this informal review will be conducted by a program supervisor, not involved in the initial decision being appealed, and a written determination will be issued to the participant.

Participants may request an informal hearing, pursuant to 24 C.F.R. §982.555, *Informal hearing for participant*, if they disagree with the program over the following:

- 1) A determination of the household's annual or adjusted income, and the use of such income to compute the housing assistance payment. (24 C.F.R. §982.555(a)(1)(i))
- 2) A determination of the appropriate utility allowance, if any, for tenant-paid utilities from the program's utility allowance schedule. (24 C.F.R. §982.555(a)(1)(ii))
- 3) The determination of the number of bedrooms/unit size entered on the Voucher issued to the participant. (24 C.F.R. §982.555(a)(1)(iii); 24 C.F.R. §982.555(a)(1)(iv))
- 4) A determination to terminate the participant's assistance because of the household's actions or failure to act, or for prolonged absence. (24 C.F.R. §982.555(a)(1)(v); 24 C.F.R. §982.555(a)(1)(vi))

All other matters are subject to an informal review.

Pre-termination Conferences

In an effort to reduce the number of terminations and the number of late payments to landlords, at its discretion the DCA may offer the opportunity to participate in a pre-termination conference to program participants who have:

- Failed to respond to appointment letters;
- Failed to provide requested information;
- Breached a repayment agreement; or
- Failed to enter into an agreement to reimburse the program.

In these cases, a letter will be sent to the participant offering a pre-termination conference to discuss why they are unable or unwilling to provide the necessary information. The participant will have twenty (20) days to comply with the conference appointment before an initial decision to terminate assistance is issued. The program's intention is to complete the household's annual reexamination in a timely manner to avoid the necessity of an informal hearing to determine whether or not to terminate the household's participation in the program. The participants in the pre-termination conference will be the head of household, the caseworker and the Field Office Supervisor.

Informal Hearings

The informal hearing process is conducted in accordance with 24 C.F.R. §982.555, *Informal hearing for participant*.

The standard sequence of steps leading to termination of a participant's housing assistance are outlined in EXHIBIT 16-1 and EXHIBIT 16-2. Program participants are given written notice in advance of the proposed action and are informed of the procedures for requesting a hearing.

Information regarding the hearing process is reviewed during the initial tenant briefing and is included in the **Guide to the Housing Choice Voucher Program** (Appendix B). Variations to the standard hearing policy for the Family Self-Sufficiency Program are included as EXHIBIT 16-8.

When a Housing Assistance Payments (HAP) Contract is terminated because of the action or inaction of an assisted household, the program must give the owner written notice (EXHIBIT 16-3) at least thirty (30) days before the intended HAP Contract termination or the expiration of the annual certification period. The household may receive advance notice of an adverse action (EXHIBIT 16-4), but will always receive at least thirty (30) days written notice (EXHIBIT 16-5) of the initial decision to deny or terminate its participation in the program. A variation to the standard notice is used when a participant requests to relocate prior to the opportunity to schedule the informal hearing (EXHIBIT 16-6, Notice of Denial to Relocate and Initial Decision to Terminate Program Participation).

A request for an informal hearing must be submitted to the program in writing within twenty (20) days of the initial decision to terminate the household's assistance. The request must be from the head of household, co-head, or the remaining member of an assisted household who is an adult or an emancipated minor. The request must include the name, address, telephone number and e-mail address (if applicable) of the requester and the factual basis or specific reasons why he or she is requesting an informal hearing. The request must also indicate if an interpreter of any kind is needed to assist the participant during the informal hearing. The written request must be addressed to: Division of Housing and Community Resources, Hearing Coordinator, PO Box 051, Trenton, NJ 08625-0051. Compliance in meeting the submission deadline is determined by the postmark on

the envelope containing the request. An acknowledgement letter will be sent to the household at the address provided in the request and, if provided, to the e-mail address provided.

Extenuating circumstances and requests to provide reasonable accommodation for persons with disabilities are considered on a case-by-case basis.

All functions normally performed to certify or recertify the household's participation will continue to be performed, as long as the tenant remains in the assisted unit, until the Hearing Officer issues a final decision. The household will continue to receive its present level of housing assistance as long as all other eligibility criteria are being met. The participant will receive notice of the informal hearing prior to the scheduled date by regular mail directed to the address provided in the request and, if provided, to the e-mail address provided. Adjournments will only be granted if requested within two (2) full business days and supported by documentary evidence of the reason. In the case of an emergency, proof of the incident or event must be provided, in writing, to the Hearing Officer within twenty-four (24) hours of the scheduled hearing date (or other time frame as specified by the Hearing Officer) before a new hearing will be scheduled. All requests for adjournment will be evaluated on a case-by-case basis.

The protocol for an informal hearing is outlined in EXHIBIT 16-12. If participant retains an attorney, the Hearing Officer should be notified of said representation, in writing, prior to the hearing date. The Hearing Officer will regulate the conduct of all parties participating in an informal hearing. The Hearing Officer reviews evidence pursuant to the Guidelines for the Submission of Evidence (EXHIBIT 16-14), but without regard to admissibility under the rules of evidence that are applicable to judicial proceedings. Factual determinations made by the Hearing Officer are limited

solely to the evidence presented at the hearing and “a preponderance of the evidence” is used as the standard in making a final decision. As noted by HUD, the program “is not being asked to adjudicate guilt, but rather whether, under a civil standard of preponderance of the evidence, a family member, in fact, is engaging in certain activities. It is the fact of the activity rather than assessment of criminal liability that is at issue. (*Federal Register*, July 11, 1990, p. 28540).”

The Hearing Officer will issue a final decision in writing and this written decision will briefly state the reasons for the decision. The written decision is furnished within fifteen (15) business days of the hearing to the participant and a copy is sent to the Field Office Supervisor and the Regional Supervisor. The Hearing Officer will keep a copy of all final decisions where a household’s participation in the Housing Choice Voucher Program has been terminated. The period of retention will be five (5) years from the date of the decision.

Failure to Appear

If a participant fails to appear at a scheduled informal hearing as prescribed in the Notice of Informal Hearing (EXHIBIT 16-10), the Hearing Officer may reschedule the informal hearing if the following conditions are met:

1. The head of household must contact the Hearing Officer within twenty-four (24) hours of the time that the informal hearing was scheduled to start; and
2. The head of household must document, as specified by and to the satisfaction of the Hearing Officer, the circumstances for his or her failure to appear.

Failure to contact the Hearing Officer or to provide the documentation requested by the Hearing Officer will constitute abandonment by the head of household of his or her request for an informal hearing and the initial decision to terminate will automatically become the final decision.

Appeals

The program has established a system in which a final decision by a Hearing Officer may be questioned without the need to go to the Superior Court, Appellate Division. The petitioner will have forty-five (45) days from the date of the Hearing Officer's final decision to request a review of the decision by writing to a different Hearing Officer. The Hearing Officer will evaluate the request to determine if the matter qualifies as a "contested case" to be transmitted to the Office of Administrative Law (OAL). The household's request must include the name, address, telephone number and e-mail address (if applicable) of the participant and the factual basis or specific reasons why he or she is requesting a review of the Hearing Officer's final decision. The written request must be addressed to: Division of Housing and Community Resources, Hearing Officer, PO Box 051, Trenton, NJ 08625-0051. Compliance in meeting the submission deadline is determined by the postmark on the envelope containing the request.

Any such request must be submitted to the above address within forty-five (45) days from the date of the Hearing Officer's final decision.

Once the participant requests a review of the final decision, in accordance with the Administrative Procedures Act (N.J.S.A. §52:14B-12), the matter will be transmitted to the Office of Administrative Law (OAL) as a contested case if it meets the criteria.

An appeal to the OAL involves transmitting the case to the OAL to be heard by an Administrative Law Judge (ALJ). This process includes a formal hearing before the ALJ, who will issue an initial decision. The Commissioner of the DCA reviews the initial decision and issues a final decision, either accepting the initial decision, modifying it, or rejecting it. The initial decision and the final decision will both be sent to the participant at the address provided in the request.

Repayment Agreements

If a participant's actions, or inactions, have resulted in money being owed to the program, there is no fraudulent activity as determined by the Field Office Supervisor or Regional Supervisor, and the total owed is below the \$3,000 cap (as described at page 7-17), a repayment agreement may be entered to resolve the matter. The payment terms will be determined by the Field Office Supervisor or the Regional Supervisor based upon several criteria. The total amount due will be calculated and will be divided into monthly payments not to exceed 10% of the family's adjusted monthly income. If the balance due will not be paid in full within 36 months, a larger first payment may be required.

The participant must be provided with a copy of the signed repayment agreement and advised that failure to comply with the repayment agreement may result in termination of their participation in the program. One missed payment constitutes a breach of the repayment agreement and the DCA may commence termination proceedings for such breach as permitted by the repayment agreement and federal regulations. Participants who experience a change in circumstances that impact their ability to comply with the repayment agreement must contact the Field Office Supervisor immediately to discuss a possible reworking of the repayment agreement.

No participant who is in reach of a repayment agreement shall be permitted to enter into a new repayment agreement. The maximum number of repayment agreements that a participant may be permitted to enter into is three (3) throughout the duration of participation.

Guidelines for the Submission of a Notice of Intent to Terminate

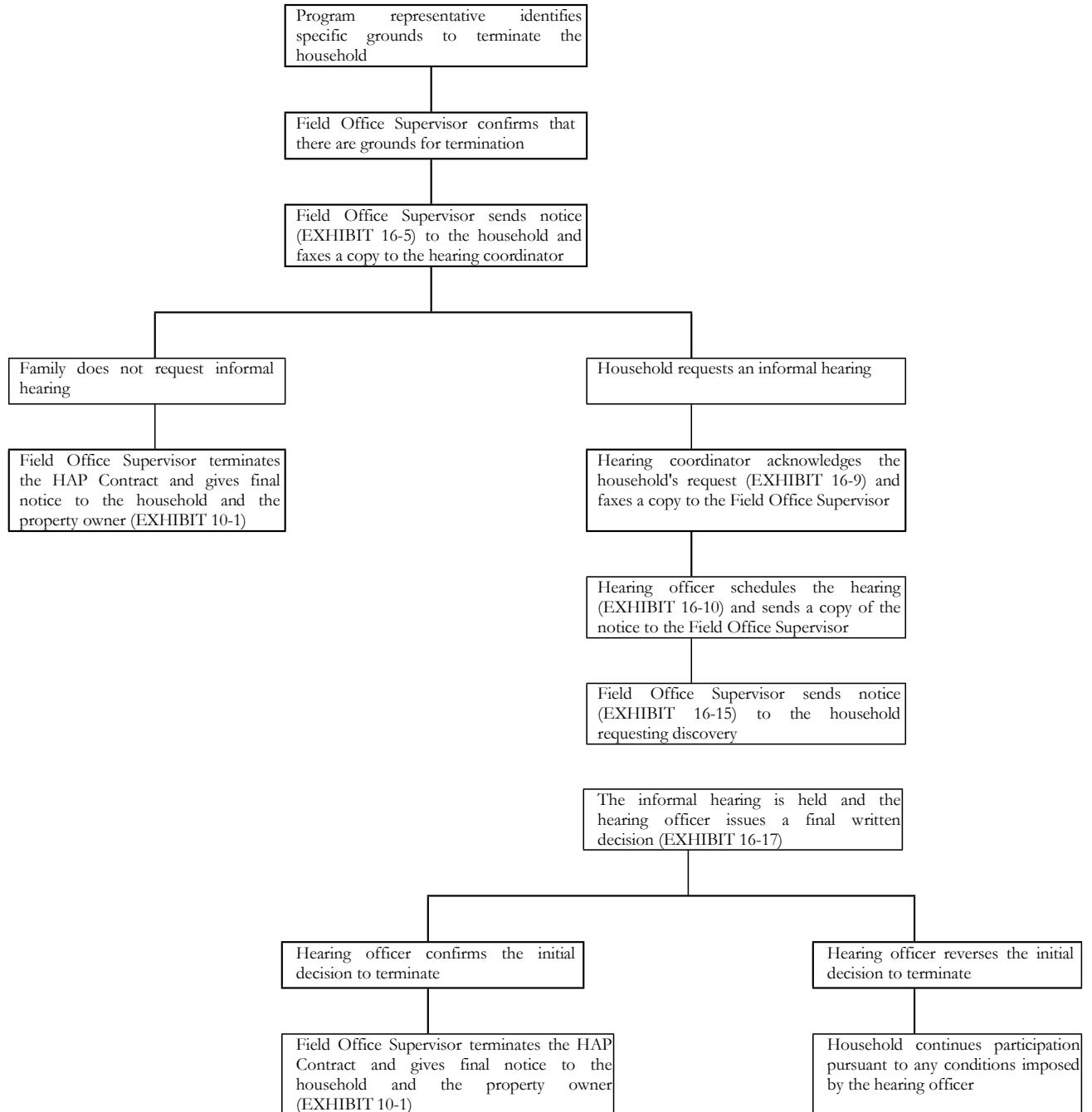
1. A program representative determines that there are grounds to terminate a participant in accordance with 24 C.F.R. §982.552.
2. A pre-termination conference should be conducted where appropriate.
3. Until the Hearing Officer issues a final decision, and as long as the tenant resides in the assisted unit, all functions normally performed to certify or recertify the household's participation must continue to be performed.
4. The program representative compiles all pertinent information and presents this evidence to the Field Office Supervisor for review and consideration. The Field Office Supervisor may consult with the Regional Supervisor depending upon the complexity of the issue.
5. If the Field Office Supervisor confirms that grounds to deny or terminate the household exist, the Field Office Supervisor ensures that at least thirty (30) days advance written notice (EXHIBIT 16-5) of the "initial decision" is provided to the household. A copy of the notice to the household is faxed to the central office to the attention of the Hearing Coordinator.
6. The Hearing Coordinator takes action when the period to request an informal hearing (twenty (20) days) has expired or the request for an informal hearing is received by the deadline. If a written request from a household is not received by the deadline, the notice originally faxed by the Field Office Supervisor is faxed back to the Field Office Supervisor with a cover sheet, signed and dated, confirming that the household did not respond. The program representative sends final notice of termination to the household and the owner (EXHIBIT 10-1).
7. When a written request for an informal hearing is received by the deadline, the Hearing Coordinator will:
 - Reject in writing any request when the DCA is not required to provide an informal hearing in accordance with 24 C.F.R. §982.555;
 - Order corrective action, with notification, if program staff clearly erred in the decision; or
 - Acknowledge the household's hearing request (EXHIBIT 16-9) and forward the hearing request to the Hearing Officer who will schedule a review or a hearing.
8. The Hearing Officer schedules the informal hearing (EXHIBIT 16-10) and prepares a "final decision," in writing, to the household, within fifteen (15) business days of the hearing. When the initial decision is upheld as the final decision, the household's participation is terminated. When the initial decision to terminate is not upheld, the Hearing Officer forwards a copy of the final decision to the Field Office Supervisor who enforces any "conditions" imposed by the Hearing Officer for the household's continued participation.

Notice Requirements

Notice to the Household: Thirty (30) days advance written notice to the household (EXHIBIT 16-5), for purposes of this notice, is generally computed from the last day of a month, and the Field Office Supervisor must ensure that the household receives the notice at least thirty (30) days prior to the date of the intended termination date. The Hearing Officer, however, has discretion in establishing a date, other than the last day of the month, for termination of the household's participation when issuing a final decision.

Notice to the Owner: The Field Office Supervisor must ensure that the owner receives advance written notice (EXHIBIT 16-3) a minimum of thirty (30) days before the actual termination date of the household. For program purposes, this calculation is always computed from the last day of the month in which the termination is to occur. This is done with the intention of the owner retaining the housing assistance payment for the month in which he or she receives the notice and receiving the following month's housing assistance payment in compliance with the terms and conditions of the Housing Assistance Payments Contract.

Summary of Procedures to Terminate Program Participation



State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Initial Notice to Terminate Housing Assistance Payments Contract

<<Today's Date>>

<<Owner Name>>
<<Owner Address>>
<<Owner CSZ>>

Dear <<Owner Name>>:

The Division of Housing and Community Resources has been providing you with monthly housing assistance payments to assist your tenant, <<Tenant Name>>, who resides at <<Unit Address>> in <<Unit City>>.

Housing assistance payments are contingent upon a participant family meeting certain program obligations. When a household fails to meet a family obligation, commits fraud, or owes monies to a public housing agency, there are sufficient grounds to deny or terminate the household's participation in the Housing Choice Voucher Program.

Your tenant has failed to meet certain program requirements. Consequently, the Housing Assistance Payments Contract that the program has entered into with you will be terminated on the final day of _____ . No further subsidy checks will be issued after this date. Should your tenant continue to occupy your property after this date, your tenant must assume full responsibility for further rental payments.

Should you require any additional information or clarification, please contact me at <<PHA Phone>>.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator
<<Tenant Name>>
Client file

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Warning of Adverse Action

<<Today's Date>>

<<Tenant Name>>
<<Tenant Address>>
<<Tenant CSZ>>

Dear <<Tenant Name>>:

We have received reoccurring complaints regarding your occupancy of the rental property that is assisted by the Housing Choice Voucher Program. These complaints indicate that your household may have violated a participant obligation of the program. Our information indicates that the following circumstances have occurred: _____

When a household fails to comply with a program obligation, there are sufficient grounds to deny or terminate the household's participation in the program. In addition, should your landlord have grounds to institute an eviction, your continued participation in the program would also be in jeopardy.

Your immediate attention and compliance in resolving this matter is required. Should you have any questions regarding this notice, please call my office at <<PHA Phone>>.

Sincerely,

Field Office Supervisor

cc: Client file

Initial Decision to Deny or Terminate Housing Assistance

Dear <<Tenant Name>>:

Pursuant to the federal regulations that govern the Housing Choice Voucher Program, it is your household's responsibility to adhere to all those requirements stipulated at 24 C.F.R. §982.551 as *Obligations of the participant*. When there is sufficient evidence that a household has failed to meet these requirements, it may be necessary to deny or terminate the household's participation in the program in accordance with 24 C.F.R. §982.552.

Information obtained by the program indicates that your household has violated a participant obligation. Our information indicates that the following circumstances have occurred:

Based on this information, the program has decided to terminate your participation in the program on the last day of _____ . You, however, have the right to request an informal hearing before your participation is actually terminated.

If you wish to request an informal hearing, you must send a written request to the following address:

Hearing Coordinator
New Jersey Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Your request for an informal hearing must be received by _____ , which is no more than twenty (20) days from the date of this letter. Please include your name, address, and telephone number in the letter. If you do not request an informal hearing, the program will render its decision on your participation based on the documentation that has been obtained.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator
Regional Supervisor
Client file

Notice of Denial to Relocate and Initial Decision to Terminate Program Participation

Dear <<Tenant Name>>:

Pursuant to the federal regulations that govern the Housing Choice Voucher Program, it is your household's responsibility to adhere to all those requirements stipulated at 24 C.F.R. §982.551 as *Obligations of the participant*. When there is sufficient evidence that a household has failed to meet these requirements, it may be necessary to deny or terminate the household's participation in the program in accordance with 24 C.F.R. §982.552.

Information obtained by the program indicates that your household has violated a participant obligation. Our information indicates that the following circumstances have occurred:

Based on this information, the program will not reissue a Voucher to your household and will terminate your participation in the program on _____. You, however, have the right to request an informal hearing before your participation is actually terminated.

If you wish to request an informal hearing, you must send a written request to the following address:

Hearing Coordinator
New Jersey Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Your request for an informal hearing must be received by _____, which is no more than twenty (20) days from the date of this letter. Please include your name, address, and telephone number in the letter. If you do not request an informal hearing, the program will render its decision on your participation based on the documentation that has been obtained.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Hearing Coordinator
Regional Supervisor
Client file

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Confirmation of Household's Request to Withdraw From the Program

<<Today's Date>>

<<Tenant Name>>
<<Tenant Address>>
<<Tenant CSZ>>

Dear <<Tenant Name>>:

I have received your letter informing the program of your intention to voluntarily withdraw from the Housing Choice Voucher Program.

In accordance with your notice, your household's participation in the program will be terminated on the last day of _____. Your landlord also will be informed of the date of your termination and that housing assistance payments will no longer be made on your behalf after this date.

If you change your mind and want to continue to participate in the program, you must contact my office within ten (10) work days at <<PHA Phone>>. Otherwise, your housing assistance will end on the termination date stated above.

This letter is being sent to you via general delivery and certified mail.

Sincerely,

Field Office Supervisor

cc: Client file

Variations to the Standard Hearing Policy for the Family Self-Sufficiency Program

Intent to Terminate FSS Contract of Participation

The Field Office Supervisor will send a warning letter to a FSS participant for any breach of their FSS Contract of Participation. The warning letter will include the following:

- Notice of contract violation;
- Corrective action that must be taken; and
- A deadline by which the violation must be corrected.

If the FSS participant takes corrective action, no further action is necessary. If the FSS participant does not take corrective action, the Field Office Supervisor will send the household a letter by regular mail and by certified mail. The letter will state the reason(s) for termination and will include an explanation of the appeal process available to the family.

Appeal Process

If a participant disagrees with the decision to terminate their FSS Contract, they may request a review before the FSS Program Coordinator by writing within twenty (20) days from the date of the termination letter. The request must include the participant's name, address, telephone number and e-mail address (if applicable) and the reasons why they are requesting a review.

The FSS Program Coordinator may recommend changes to the participant's FSS Contract Individual Services and Training Plan such as adding support services, addiction treatment, referral to another agency, or elimination of activities.

Termination of FSS Contract and/or Withholding Supportive Services

A family's FSS Contract of Participation can be terminated or supportive services withheld under the following circumstances:

1. If the family fails to fulfill its obligations under the FSS Contract of Participation five (5) years after entering into the contract;
2. If the family's housing assistance is terminated in accordance with HUD requirements;
3. The family withdraws from the FSS Program;
4. If the family's actions or failure to act are deemed inconsistent with the purpose of the FSS Program;
5. If 30 percent of the family's monthly adjusted income equals or exceeds the rent to owner;
or
6. By operation of law.

If a family's FSS Contract of Participation is terminated, they will not lose their Housing Choice Voucher Program assistance, but any escrow account earnings will be forfeited.

State of New Jersey
Department of Community Affairs Division of
Housing and Community Resources P.O. Box
051
Trenton, NJ 08625-0051

Acknowledgement of Request for Informal Hearing

<<Today's Date>>

<<Tenant Name>>
<<Tenant Address>>
<<Tenant CSZ>>

Dear <<Tenant Name>>:

Your request for an informal hearing has been approved.

Please be assured that every effort will be made to schedule your hearing as soon as possible. When your case has been included on the Hearing Officer's calendar of hearings, you will be sent a Notice of Informal Hearing. This notice will provide you with specific information concerning the time, date and location of your informal hearing.

You will also receive information regarding the procedures our agency has adopted for conducting an informal hearing. This information is presented in two documents: *Informal Hearing Protocol* and *Guidelines for the Submission of Evidence*. These items will provide you with a thorough explanation of the hearing process and will assist you in preparing for your informal hearing.

If you have any questions after receiving your Notice of Informal Hearing, or if your contact information changes, please send your written inquiry to the following address:

Hearing Officer
New Jersey Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Thank you for your cooperation regarding this matter.

Sincerely,

Hearing Coordinator

cc: Hearing Officer
Field Office Supervisor
Regional Supervisor

State of New Jersey
Department of Community Affairs Division of
Housing and Community Resources P.O. Box
051
Trenton, NJ 08625-0051

Notice of Informal Hearing

<<Today's Date>>

Dear <<Tenant Name>>:

The informal hearing that you requested has been scheduled for (insert day of the week), (insert date) at (insert time) in the (insert name of county) Housing Choice Voucher Program office. This office is located at (insert complete street address of the field office).

If you are in need of an interpreter of any kind, or other accommodation, for this hearing you must notify the undersigned in writing within two (2) business days of the hearing date contained in this Notice.

If you are unable to attend this hearing as scheduled, you must contact the Hearing Officer at least two (2) full business days before the date of the scheduled hearing by calling (insert phone number). Failure to attend this hearing may result in the dismissal of your request for an informal hearing and termination of your participation in the program.

The subject of this informal hearing is the proposed termination of your participation in the Housing Choice Voucher Program for the alleged violation of 24 C.F.R. §982.551, *Obligations of participant*. It is alleged that (summarize the grounds for termination based on the appropriate regulation).

The procedures our agency has adopted for conducting an informal hearing are presented in the two (2) documents (Informal Hearing Protocol and Guidelines for the Submission of Evidence) attached to this notice. These items will provide you with a thorough explanation of the hearing process and will assist you in preparing for your informal hearing.

If you have any questions, please feel free to contact me.

Sincerely,

Hearing Officer

Attachments (2)

cc: Field Office Supervisor
Regional Supervisor

State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Notice of Postponement of Informal Hearing

<<Today's Date>>

Dear <<Tenant Name>>:

You are hereby advised that the informal hearing that had been scheduled for (insert day of the week), (insert date) at (insert time) in the (insert name of county) Housing Choice Voucher Program office is postponed. Our agency will make every effort to reschedule your hearing in the near future.

When your case is rescheduled on my calendar of hearings, you will be sent another Notice of Informal Hearing. This notice will specify the time, the date and the location of your informal hearing.

If you have any questions concerning this matter, please contact me by writing to the following address:

Hearing Officer
New Jersey Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Your continued cooperation regarding this matter is appreciated.

Sincerely,

Hearing Officer

cc: Field Office Supervisor
Regional Supervisor

Informal Hearing Protocol

The DCA employs a full time Hearing Officer. The Hearing Officer serves with autonomy to preclude the possibility that he would be involved in or is a subordinate to the person making the initial decision to terminate. The Hearing Officer is empowered by the DCA to regulate the conduct of the participants of an informal hearing. The Hearing Officer shall give effect to the rules of privilege recognized by law.

At their own expense, a lawyer or other representative may represent the participant household. Advance notice of representation must be provided to the DCA, in writing. The household may present its case or defense by oral and documentary evidence, submit rebuttal evidence and conduct such cross-examination as may be required, subject to the discretion of the Hearing Officer, for a full and true disclosure of the facts. All relevant evidence is admissible, except as otherwise specified in the Housing Choice Voucher Program regulations, or as determined by the Hearing Officer.

The Hearing Officer will normally conduct the informal hearing according to the following sequence:

1. Hearing Officer identifies or restates the issue(s) of the informal hearing
2. Opening statement (optional)
 - DCA
 - Participant/Appellant
3. The program presents its case - submits evidence and witnesses
 - Participant/Appellant can cross-examine
 - DCA can re-direct
4. Appellant presents his or her case - submits evidence and witnesses
 - DCA can cross-examine
 - Participant/Appellant can re-direct
5. Closing remarks (optional)
 - DCA
 - Participant/Appellant

The Hearing Officer will send a final decision, in writing, to the household within fifteen (15) business days of the hearing. The Hearing Officer, in making the factual determinations contained in his final written decision, can only use the evidence presented at the informal hearing. The Hearing Officer will keep a copy of all final decisions where a household's participation in the Housing Choice Voucher Program has been terminated. The period of retention will be five (5) years from the date of the decision.

State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Notice of Failure to Appear

<<Today's Date>>

Dear <<Tenant Name>>:

Pursuant to your request, an informal hearing was scheduled for (insert day of the week), (insert date) at (insert time) in the (insert name of county) Field Office of the Department of Community Affairs (DCA). The program was prepared at that time to hold an informal hearing in compliance with 24 C.F.R. §982.555, *Informal hearing for participant*.

You failed to attend this informal hearing and you failed to notify the Hearing Officer regarding any inability to attend this hearing as scheduled.

Therefore, your request is considered abandoned and the termination of your participation is upheld as correct and final.

This termination is effective as of (insert date).

Sincerely,

Hearing Officer

cc: Hearing Coordinator
Field Office Supervisor
Regional Supervisor

Guidelines for the Submission of Evidence

In accordance with program regulations (24 C.F.R. §982.555(e)(2) *Discovery* and (5) *Evidence*), the parties shall not be bound by rules of evidence whether statutory, common law, or adopted formally by Rule of Court. Discovery must be completed two (2) business days before an informal hearing. Before an informal hearing, a participant has the right to examine any document that is relevant to the hearing from the file of record that is located at the field office. Such request must be submitted to the field office in writing. All relevant evidence is admissible, except as specified in the following:

1. If the household or the program has not made a document available for examination before an informal hearing, upon the written request of the other party, the household or the program may not rely on or present the document at the informal hearing.
2. The Hearing Officer has the discretion to exclude any evidence if he determines that its probative value is substantially outweighed by the risk that its admission will either necessitate undue consumption of time or create substantial danger of undue prejudice or confusion.
3. Evidence that a member of the household has been arrested for drug-related criminal activity or violent criminal activity (24 C.F.R. §982.553, *Denial of admission and termination of assistance for criminals and alcohol abusers*)¹ must meet the following criteria:
 - Documentation must be obtained from a law enforcement agency²;
 - Documentation must clearly identify the name of the person arrested, the date of the arrest, the location of the arrest, and the nature of the offense; and
 - Documentation may be a police report, an incident report, an investigative report, or a letter from a law enforcement agency.
4. The Hearing Officer, in making the factual determinations contained in his final written decision, can only use the evidence presented at the informal hearing.

The Hearing Officer shall give effect to the rules of privilege recognized by law. Any party in an informal hearing may present his or her case or defense by oral and documentary evidence, submit rebuttal evidence and conduct such cross-examination as may be required, subject to the discretion of the Hearing Officer, for a full and true disclosure of the facts.

¹ HUD has previously noted “the PHA is not being asked to adjudicate guilt, but rather whether, under a civil standard of preponderance of the evidence, a family member, in fact, is engaging in certain activities. It is the fact of the activity rather than assessment of criminal liability that is at issue”. (*Federal Register*, July 11, 1990, p. 28540)

² In most instances the Authorization for the Release of Information/Privacy Act Notice form that is included in the client’s file will have to accompany the field office’s written request for this information. Once the necessary documentation is received, the field office may institute the standard procedures outlined in Exhibit 16-1 regarding termination of a participant’s housing assistance.

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Request for Discovery

<<Today's Date>>

Dear <<Tenant Name>>:

This letter represents a formal request for your cooperation in disclosing all information regarding the evidence that you intend to present at your informal hearing.

The discovery process requires that, upon request, any evidence to be presented at the informal hearing must be clearly identified and made available to the other party. Once requested, this information must be presented for review at least two (2) full business days before the date of the scheduled informal hearing.

Please respond by supplying the names of the witnesses that you may call at the informal hearing and attach copies of the documents that you intend to rely upon or offer into evidence at the informal hearing. These materials should be sent to:

(insert the name and address of the appropriate person or office)

The Housing Choice Voucher Program regulations (24 C.F.R. §982.555) strictly prohibit the presentation of any evidence at the hearing that was not made available during the discovery period.

Thank you for your cooperation in this matter.

Sincerely,

Field Office Supervisor

cc: Client file

(This request for discovery form letter may be used by a Housing Choice Voucher Program participant.)

State of New Jersey Department of
Community Affairs Field Office
Address
City, State, Zip Code

Notice to Owner of Postponement of Final Decision to Terminate

<<Today's Date>>

Dear <<Owner Name>>:

This letter provides written notification of a postponement in the date for terminating the participation of the <<Tenant Name>> household in the Housing Choice Voucher Program and the concurrent termination of the Housing Assistance Payments Contract (<<Tenant ID>>) for their assisted unit located at <<Tenant Address>> in <<Unit City>>.

The previous correspondence explaining this agency's initial decision to terminate stipulated the implementation date as (insert date specified in initial decision). Please be advised that this implementation date has been amended to accommodate the issuance of a final written decision for an informal hearing that has been held regarding this matter. When I receive the final written decision, I will inform you accordingly.

Sincerely,

Field Office Supervisor

cc: Hearing Officer

State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources
P.O. Box 051
Trenton, NJ 08625-0051

Notice of Final Decision to Terminate

<<Today's Date>>

Dear <<Tenant Name>>:

The informal hearing which you requested was held on (insert day of the week), (insert date) at (insert time) in the (insert name of county) Field Office of the Department of Community Affairs (DCA) in compliance with 24 C.F.R. §982.555, Informal hearing for participant.

This informal hearing was scheduled to determine whether the initial decision to terminate your participation in the program was performed in accordance with program regulations and the policies of this agency. The grounds for the decision to deny or terminate housing assistance are codified at 24 C.F.R. §982.551 and 24 C.F.R. §982.552. The issue for resolution at the informal hearing was whether your household:

(specify the grounds for termination and cite the section of the regulations)

After carefully considering your testimony and thoroughly reviewing the evidence presented, I have made the following factual determinations regarding this matter:

(insert facts)

I have determined that the appropriate disposition of this case is to uphold the termination of your participation in the Housing Choice Voucher Program. A preponderance of the evidence confirms that there are grounds to terminate your participation in the program in accordance with the program regulations and the policies of this agency. The implementation date for termination of your program participation is (insert date).

This is a final administrative decision pursuant to 24 C.F.R. §982.555. If you feel that this decision was made in error and your case is a contested case (as defined below), within forty-five (45) days from the date of this Final Decision you can request an appeal to the Office of Administrative Law by writing to:

Hearing Officer
Department of Community Affairs
Division of Housing & Community Resources
101 South Broad Street, PO Box 051
Trenton, New Jersey 08625-0051

Any request for appeal must include specific reference to the information that the participant believes is incorrect or was incorrectly decided. In accordance with the regulations governing the Office of Administrative Law, once a request is received the agency will determine whether the matter qualifies as a contested case within thirty (30) days. The agency will inform the participant of its determination in writing.

As defined at N.J.A.C. §1:1-2.1: a contested case “means an adversary proceeding, including any licensing proceeding, in which the legal rights, duties, obligations, privileges, benefits or other legal relations of specific parties are required by constitutional right or by statute to be determined by an agency by decisions, determinations, or orders, addressed to them or disposing of their interests, after opportunity for an agency hearing, N.J.S.A. 52:14B-2.”

Sincerely,

Hearing Officer

Attachment

cc: Field Office Supervisor
Regional Supervisor
Supervisor of Field Operations

Documents in Evidence

Joint EXHIBITs

- J-1
- J-2
- J-3

For Appellant

- A-1
- A-2
- A-3

For Respondent

- R-1
- R-2
- R-3

Witnesses

For Appellant

For Respondent

PAYMENT STANDARD AMOUNTS

Each year, the U.S. Department of Housing and Urban Development publishes proposed fair market rents (FMRs) in the *Federal Register* for the upcoming federal fiscal year, which begins on the 1st of October. In accordance with 24 C.F.R. §982.503, *Voucher tenancy: Payment standard amount and schedule*, the program must establish a payment standard amount for each unit size in each county within the “basic range” (between 90 percent and 110 percent) of the published fair market rent.

The DCA’s review of the proposed FMRs begins with a review of all active Vouchers by county and by unit size. The report that is produced to conduct this analysis provides information on the gross rent of all assisted units and the level or degree of program participants’ rent burden¹ by a range of values rather than as a simple average. This information provides the program with the necessary information to evaluate the proposed FMRs based upon the cost of the housing units that have been selected by the program participants.

If the FMR is greater than the average gross rent by county and unit size, the payment standard is set at the FMR. Whenever possible, the DCA will not set a payment standard amount that is less than the FMR. In addition, whenever possible, the program will not set a new payment standard amount that is less than the current payment standard amount. Under these circumstances, the current payment standard amount will continue to be used rather than reducing the payment standard amount to the new FMR.

¹ Rent burden is the percentage of a participant’s adjusted monthly income (AMI) contributed toward their total tenant payment (TTP).

If the average gross rent is greater than the FMR, the payment standard is set at the lesser of the average gross rent or at the maximum amount within the basic range (110 percent of the FMR).

On a case-by-case basis, the DCA may request approval from the HUD State Office of an exception payment standard amount above 110 percent of the FMR to 120 percent of the FMR if required as a reasonable accommodation for a family that includes a person with disabilities (see EXHIBIT 9-4).

Applying a Different Payment Standard Amount

The program must apply a new payment standard at a program participant's annual reexamination if any of the following events occur:

- If the program has increased the payment standard amount applicable to the household or market area, it must use the increased payment standard.
- If the household's size or composition changes, the payment standard amount for the appropriate unit size is used.

If the program lowers a payment standard amount, the payment standard in effect on the effective date of the Housing Assistance Payments Contract with the property owner will remain in effect until the household moves to another unit, has a change in its household size or composition, or until the *second* annual reexamination of the household's income and household composition after the program decreases the payment standard amount.

If there is an increase in the FMR, the DCA is not required to raise the payment standard to correspond to the increased FMR. All decisions with regard to the payment standard are made at the DCA's discretion on a case-by-case basis.

Actions to Reduce Voucher Program Costs

If the amount of renewal funding for the current program year is inadequate to assist all of the Vouchers in the program's baseline allocation, the program may have to take steps to reduce costs and/or the number of active Vouchers holders to reduce program costs.

The DCA will take the following cost-cutting steps when faced with a budgetary shortfall:

- Reduction of the payment standard to 90%;
- The program will not re-issue Vouchers that are surrendered through normal program attrition; and
- The program will terminate the participation of program participants that receive the smallest amount of monthly housing assistance (excluding elderly households and households that include a person with disabilities).

Program participants who are terminated because of a funding shortfall will receive a minimum of forty-five (45) days advance notice of the termination, and in accordance with 24 C.F.R. §982.555 (*Informal hearing for participant*) are not eligible for an informal hearing as this action is a discretionary, administrative determination by the DCA. (see 24 C.F.R. §982.555(b)(1))

HOMEOWNERSHIP OPTION

The DCA has elected to offer the first-time homebuyer homeownership option to certain participants in the Housing Choice Voucher Program. The U.S. Department of Housing and Urban Development defines first-time homeowner in 24 C.F.R. §982.4(b) as “[a] family in which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family.” This term includes a single parent or a displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

Eligible Units

To be considered for homeownership assistance, the housing unit must be either a one (1) unit property (including a manufactured home) or a single dwelling unit in a cooperative or condominium. Any housing unit located in a Coastal Barrier Resource System (CBRS) is ineligible for the program. The CBRS maps are available at:

http://www.fws.gov/habitatconservation/coastal_barrier.html

PHA Capacity

The DCA has provided housing counseling by HUD certified housing counselors through the State’s Homelessness Prevention Program since 1984. This program assists homeowners who are in danger of mortgage foreclosure by providing counseling, referral, and financial assistance, when funding is available.

The DCA Family Self-Sufficiency Program has provided credit rehabilitation counseling, referral,

career planning, job readiness and pre-homeownership counseling to approximately 1,300 families. The DCA will contract with a HUD certified housing counseling agency or an American Homeowner Education and Counseling Institute (AHECI) certified housing counseling agency to provide pre-homeownership counseling to program participants.

A minimum of eight (8) hours of education and counseling will be provided to participants in group settings, or in one-on-one sessions. The training must comply with the minimum requirements of the certified housing counseling agency.

The DCA will also refer participants to the New Jersey Housing and Mortgage Finance Agency and other lenders to apply for counseling, first-time homebuyer assistance, down payment assistance, and thirty (30) year mortgages at below market interest rates.

The DCA will refer program participants to the U.S. Department of Housing and Urban Development, the New Jersey Division of Civil Rights, Legal Services of New Jersey and other agencies that may assist with complaints about housing discrimination or unfair lending practices.

The Council on Affordable Housing will notify the program about new homeownership opportunities that are created through the State's Mount Laurel requirements.

Number of Homeownership Families

The DCA will not place a limit on the number of families that may receive homeownership assistance.

Additional Program Requirements for Participation

All applicants for homeownership assistance must be participants in good standing with the Housing Choice Voucher Program and have a credit score of at least 680 points. In addition, all applicants except the elderly and disabled, must have at least 3 percent of the estimated sales price saved prior to applying for the program.

The DCA will issue the homeownership Voucher for sixty (60) days with two (2) sixty (60) day extensions *after* the participant finds a home to purchase. Participants will be allowed 120 days to obtain financing and close on the property.

These allowable periods may be extended by the DCA to provide reasonable accommodation for a household that includes a person with disabilities or for individual circumstances.

If a family fails to complete the purchase of a home within the period allowed by the DCA, the family may retain the Voucher for tenant-based rental assistance. The family may reapply for homeownership after one (1) year.

Non-elderly and non-disabled homeownership assistance applicants must be full-time employees for at least one (1) full year at the time they apply for the program. Full-time employment is defined as having worked at least thirty (30) hours per week for fifty-two (52) consecutive weeks at a rate of at least the prevailing minimum wage.

Minimum Income Requirements

Homeownership assistance applicants must have at least \$20,800 of earned income to be eligible for the program. If an applicant's earned income decreases prior to closing on an eligible unit, the household may be deemed ineligible if the unit is no longer affordable. However, for elderly or disabled applicants the minimum income requirement is twelve (12) times the monthly SSI/SSD amount for the state of New Jersey. All Housing Choice Voucher Program participants that are interested in participating in the homeownership option will be required to furnish the program with a tax return transcript¹ for the most current year or period available.

Self-Employment

Applicants who can demonstrate that they have been self-employed for at least one (1) full year may be eligible for homeownership assistance provided they have earned at least the required \$20,800 annual income over the previous twelve (12) months.

Elderly/Disabled Households

As stipulated in 24 C.F.R. §982.627(d)(3) there are no employment standards or hours of work required for an elderly family or a disabled family.

Welfare assistance will be counted when determining the minimum annual income for an elderly family or a disabled family (see *Definitions* in 24 C.F.R. §5.403).

¹ To order a tax return transcript free of charge, use IRS Form 4506-T or call 1-800-829-1040.

Counseling Before Commencement of Homeownership

Within 120 days before the commencement of the first attempt at homeownership, the participant (head of household or spouse) will be required to complete the pre-homeownership counseling course. All costs for the homeownership counseling will be paid by the DCA.

If the tenant has successfully completed the pre-homeownership counseling course required by the program, and the tenant fails to succeed in the homeownership effort, the tenant will be required to attend a refresher one-on-one homeownership counseling session.

Financing the Purchase of a Home

The program will prohibit the following types of financing for purchase of a home: Balloon payments and variable interest rates. All mortgages must be for a thirty (30) year term at a fixed rate and issued by a DCA approved mortgage company.

The DCA may review lender qualifications and the mortgage loan terms before authorizing homeownership assistance.

The DCA will disapprove proposed financing, refinancing or other debt if it determines that the debt is unaffordable, or if it determines that the lender or the loan terms do not meet program qualifications. In making such determinations, the DCA may take into account other family expenses, such as child care, unreimbursed medical expenses, homeownership expenses, and other family expenses as determined by the DCA.

For the duration of the DCA's assistance, homeowners must consult with the Homeownership Program staff prior to applying for a home equity loan or a second mortgage. Program participants who are interested in refinancing their existing mortgages must first consult with the program. The DCA will only consider requests for refinancing for the following reasons:

1. To refinance the current principal owed if the new interest rate is at least 1.25 percent below the homeowner's original mortgage lock-in rate. This difference should yield a "break even" period in approximately three (3) years.
2. To draw upon the earned equity in the home if the new interest rate is at least 1.0 percent below the homeowner's original mortgage lock-in rate and the homeowner does not have the financial resources to:
 - Replace a major system (electrical, plumbing, roofing, heating, air conditioning, structural) that has failed and the cost exceeds \$20,000; or
 - Pay for unexpected medical expenses for a household member that does not have medical insurance.

Any refinancing plan must be reviewed by the program and will be approved or denied depending on the household's total annual income and the affordability of the reworked debt package. When reviewing all requests, the DCA will consider the following: original purchase price, original mortgage rate, remaining principal, the application and closing costs associated with refinancing, and the new lender. All lenders must have the ability to accept two (2) payments – one (1) from the household and one (1) from the program. At no time will DCA approve the refinancing of a mortgage above the original mortgage amount. In addition, the DCA will approve only one (1) request to refinance during the term of a program participant's participation in the program.

If a homeowner proceeds with refinancing and/or obtaining a home equity loan or a second mortgage without DCA's approval, they may be terminated from the program.

Financing and Affordability Requirements

Financing and affordability requirements will be established by the DCA. HUD certified housing counseling agencies will provide services to participants in the program in conjunction with generally accepted lending practices and subject to FHA mortgage insurance requirements if the home is financed with FHA mortgage insurance.

Maximum Purchase Price

Effective July 1, 2013, the DCA will institute a maximum purchase price for homes eligible to participate in the homeownership program. The maximum purchase price is \$300,000. Any sales contracts submitted to the DCA that exceed this maximum purchase price will be denied.

Minimum Down Payment Requirement

The DCA has established a minimum homeownership down payment requirement of 3 percent of the purchase price for participation in the homeownership program. For elderly and disabled participants, only 1 percent must be from the participant's funds. The remaining 2 percent can be a gift or a grant.

Determination of Homeownership Expenses

The DCA will allow the following homeownership expenses:

- Principal and interest on initial mortgage debt;
- Any refinancing of such debt;

- Any mortgage insurance premium incurred to finance the purchase of the home;
- Real estate taxes and public assessments on the home;
- Homeowner's insurance;
- An allowance for maintenance expenses and the cost of major repairs and replacements (these amounts will be determined on a case-by-case basis);
- A monthly allowance for utilities;
- Principal and interest on mortgage debt incurred to finance the cost of major repairs, replacements or improvements to the home;
- Homeownership association fees;
- Condominium fees and service assessments;
- Fees for renting a manufactured home space, if required by a participant who purchases a manufactured home; and
- Debt incurred to finance the cost of modifications to the property to make it accessible for a family member who is a person with disabilities.

Homeownership Expenses for a Cooperative Member

The DCA will determine the homeownership expenses for cooperative members on a case-by-case basis and in accordance with 24 C.F.R. §982.635(c)(3).

Homeownership Assistance Payment for Mortgage

The DCA will pay homeownership assistance payments directly to the lender on behalf of the family.

Portability

All households who have used the portability feature of the Housing Choice Voucher Program to transfer to, or return to, the jurisdiction of the DCA's program must be assisted by the DCA for one (1) year before they are eligible for homeownership assistance.

Participants receiving homeownership assistance will be prohibited from moving into another homeownership unit. Exceptions to this policy may be considered to provide reasonable accommodation or in cases involving domestic violence, a natural disaster, or other extenuating circumstances on a case-by-case basis.

Housing Quality Standards Inspections

The DCA will conduct an initial housing quality standards evaluation of all homes that are purchased under the homeownership option. These evaluations will enable the program to assess the conditions of the homes and to provide any counseling or training that may be needed to sustain the homeownership opportunity for participating families. Once a housing unit passes the initial housing quality standards inspection, the DCA may conduct annual inspections in order to ensure the home remains in good repair.

Voucher Size

The voucher size utilized at the commencement of homeownership assistance will remain the same for the duration of program participation (up to 15 years for non-elderly or non-disabled and up to 30 years for elderly or disabled).

Environmental Requirements

Buyers must meet the following requirements prior to their units being approved for the Homeownership Program:

1. Buyers of units located in a flood zone must purchase and maintain flood insurance; and
2. Buyers of units located in an airport runway zone or clear zone must sign a statement acknowledging that they know the implications of residing in such a location and that they are aware that the property may at a later date be acquired by the airport operator.

Annual Reexaminations

At the time of a Homeownership Program participant's annual reexamination, the program will also:

1. Pull a credit report to determine if there is any additional debt linked to the property; and
2. Obtain an IRS tax return transcript (see page 18-4) to verify family assets.

PROJECT-BASED VOUCHER PROGRAM

In accordance with 24 C.F.R. §983.6, *Maximum amount of PBV assistance*, the New Jersey Department of Community Affairs (the program) has discretion whether to operate a Project-Based Voucher (PBV) Program. The program may provide project-based assistance for up to 20 percent of the amount of budget authority allocated to the program by the U.S. Department of Housing and Urban Development (HUD) in the program's Housing Choice Voucher Program.

Owner Proposal Selection Procedures

Before selecting a PBV proposal, the program must determine that the proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing, complies with the cap on the number of PBV units per building, and meets the program's site selection standards.

The program will select PBV proposals that are received in response to the publication of a Request for Proposal. The program may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites. The program will provide broad public notice of the opportunity to offer PBV proposals for consideration by the program. The public notice will be published in a local newspaper of general circulation and will also be posted on the program's web site (www.nj.gov/dca/divisions/dhcr) to provide broad public notice. The public notice for PBV proposals will specify the submission deadline. Detailed application and selection information will be provided at the request of interested parties, and will be included on the DCA's web site. The program will provide prompt written

notice to the party that submitted a selected proposal and will also give prompt public notice of all selected proposals.

Eligible Housing Types

The program may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement to Enter into a Housing Assistance Payments Contract (Agreement).

Prohibition of Assistance for Ineligible Units

The program may not attach or pay PBV assistance for units in the following types of housing:

1. Shared housing;
2. Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
3. Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care. The program may, however, attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
4. Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
5. Manufactured homes;
6. Cooperative housing; and
7. Transitional Housing.

In addition, the program may not attach or pay PBV assistance to a high-rise elevator project that may be occupied by families with children unless the program determines there is no practical alternative, and HUD approves the decision.

Prohibition of Excess Public Assistance

The program may provide PBV assistance only in accordance with HUD subsidy layering regulations (see 24 C.F.R. §4.13) and other requirements. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The program may not enter an Agreement or HAP Contract until HUD or an independent entity approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

Cap on Number of PBV Units in Each Building

Except as provided below, the program may not select a proposal to provide PBV assistance for units in a building or enter into an Agreement or HAP Contract to provide PBV assistance for units in a building, if the total number of dwelling units in the building that will receive PBV assistance during the term of the Housing Assistance Payments Contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the building.

In the following cases, PBV units are not counted against the 25 percent building cap:

1. Units in a single family building; and
2. Excepted units in a multifamily building.

Excepted units means units in a multifamily building that are specifically made available for qualifying families.

Qualifying families means elderly or disabled families, or families receiving supportive services.

Supportive services means case management appropriate to the household's plan to achieve residential stability. Case management may include assistance with daily living skills, budgeting and financial literacy, employment training, and assistance with job placement.

The program may not require participation in medical or disability related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered. The program will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. The program will monitor all excepted families' participation in their supportive services as part of the annual reexamination.

Site Selection Standards

In determining whether a proposed PBV development will be selected, the program will consider the following factors:

- Whether the census tract in which the proposed PBV development will be located is in a HUD designated Enterprise Zone, Economic Community, or Renewal Community;
- Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- Whether state, local, or federal dollars invested in the area have contributed to the goal of deconcentrating poverty and expanding housing and economic opportunities;
- Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
- If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the program will consider whether in the past five (5) years there has been an overall decline in the poverty rate;
- Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located; and
- The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964.

Existing and Rehabilitated Housing Site and Neighborhood Standards

A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

- Be adequate in size, location, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site.
- Avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- Be accessible to social, recreational, educational, commercial, and health facilities and services.
- Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

New Construction Site and Neighborhood Standards

A site for newly constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, location, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- The site must not be located in an area of minority concentration, except as permitted under 24 C.F.R. §983.57(e)(3). A project may be located in an area of minority concentration only if: (a) Sufficient, comparable opportunities exist for housing for minority families in the

income range to be served by the proposed project outside areas of minority concentration, or (b) The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services.

Environmental Review

In accordance with the federal regulations (24 C.F.R., Part 58), a unit of general local government, a county or a state (the responsible entity) is responsible for the federal environmental review. In the case of existing housing, the responsible entity that is responsible for the environmental review must determine whether or not PBV assistance is categorically excluded from review.

Limitation on Actions Before Completion of the Environmental Review

The program may not enter into an Agreement with an owner until one of the following occurs:

1. The responsible entity has completed the environmental review procedures required by the federal regulations, and HUD has approved the environmental certification;
2. The responsible entity has determined that the project to be assisted is exempt from an environmental review; or
3. HUD has performed an environmental review and has notified the program in writing of environmental approval of the site.

Housing Accessibility for Persons with Disabilities

The program shall ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973.

Annual Inspections

At least annually during the term of the HAP Contract, the program must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with the federal housing quality standards.

Labor Standards

In the case of an Agreement for development of nine (9) or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing.

In addition, all owners must comply with federal Equal Employment Opportunity requirements.

Completion of Housing

The owner must develop and complete the housing units in accordance with the Agreement. When the units have been completed, the owner must submit the following evidence of completion to the program:

1. A certification that the work has been completed in accordance with the housing quality standards and all requirements of the Agreement; and
2. A certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing. To verify compliance with the Davis-Bacon labor standards, the owner must provide the program with a copy of the payroll records for all workers who were employed at the job site.

Housing Assistance Payments (HAP) Contract

The program will enter into a HAP Contract with an owner for an initial term of ten (10) years for each contract unit. Within one (1) year before expiration, the program may agree to extend the term of the HAP Contract for an additional term of up to five (5) years.

The HAP Contract must specify the number of units in any building that will exceed the 25 percent per building cap (see 24 C.F.R. §983.56, *Cap on number of PBV units in each building*) which will be set-aside for occupancy by qualifying families (elderly or disabled families and families receiving supportive services).

HAP Contract Amendments

The HAP Contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit.

The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP Contract.

Protection of In-Place Families

The term “in-place family” means an eligible individual or family residing in a proposed contract unit on the proposal selection date. In order to minimize displacement of in-place families, if a unit to be placed under contract, that is either an existing unit or one requiring rehabilitation, is occupied by an eligible family on the proposal selection date, the in-place family will be placed on the program’s waiting list (if the family is not already on the list). Once the in-place family’s continued

eligibility is determined, the family will be given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project.

Selection from the Waiting List

The program must use the same waiting list for both tenant-based assistance and PBV assistance. The program will notice specific bedroom-size eligible families by mail concerning vacancies at PBV units and will request that these families express interest in residing in specifically designated units. The program will provide a list of interested families to the PBV owner who must offer a suitable PBV unit, unless the owner has a legal basis for refusing a tenancy pursuant to all applicable federal and state laws. The family must reside in the PBV unit for a period not less than one year (12 months) in order to be eligible to transfer to the Housing Choice Voucher Program. After one (1) year of successful residency in a PBV unit, an interested family in good standing with the program will be awarded a Section 8 Housing Choice Voucher.

If the program has noticed all eligible families on the waiting list and the list becomes exhausted, the program may open a separate waiting list for admission to PBV units.

The prohibition on granting preferences to persons with a specific disability (see 24 C.F.R. §982.207(b)(3)) also applies to the PBV Program.

If a PBV owner rejects a family for admission to the owner's PBV units, such rejection by the owner does not affect the family's position on the program's waiting list for tenant-based assistance.

Leasing of Contract Units

The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations. The owner's selection procedures must be approved by the program.

An owner must promptly notify in writing any rejected applicant of the grounds for any rejection. A copy of the notice must also be sent to the program.

Required Lease Provisions

The owner's lease must specify any amount to be charged for food, furniture, or supportive services.

Overcrowded, Under-occupied, and Accessible Units

If the program determines that a family is occupying the wrong size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the program must promptly notify the family and the owner of this determination, and of the program's offer of continued assistance in another unit.

The program's offer may be in the form of:

- Project-Based Voucher assistance in an appropriate size unit (in the same building or in another building);
- Tenant-based rental assistance under the Housing Choice Voucher Program; or

- Other comparable tenant-based assistance under the HOME program or the State Rental Assistance Program,

If the program offers the family the opportunity to receive tenant-based rental assistance under the Housing Choice Voucher Program, the program must terminate the housing assistance payments for a wrong sized or accessible unit at expiration of the term of the family's Voucher (including any extension granted by the program).

If the program offers the family the opportunity for another form of continued housing assistance (not in the tenant-based Housing Choice Voucher Program) and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the program, or both, the program must terminate the housing assistance payments for the wrong sized or accessible unit, at the expiration of a reasonable period as determined by the program. In these circumstances, the program will afford the family 120 days to relocate to another housing unit.

Family Right to Move

The family may terminate the assisted lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the program) in accordance with the lease. If the family has elected to terminate the lease in this manner, the program must offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the Housing Choice Voucher Program or other comparable tenant-based rental assistance.

If a Housing Choice Voucher or other comparable tenant-based rental assistance is not immediately available upon termination of the family's lease of a PBV unit, the program will give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

Family That No Longer Is a Qualifying Family

A family (or the remaining members of the family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per building cap exception must vacate the unit within a reasonable period of time established by the program, and the program shall cease paying housing assistance payments on behalf of the non-qualifying family. If the family fails to vacate the unit within the established time, the unit must be removed from the HAP Contract unless the project is partially assisted, and it is possible for the HAP Contract to be amended to substitute a different unit in the building in accordance with the federal regulations (24 C.F.R. §983.206(a), *Amendment to substitute contract units*), or the owner terminates the lease and evicts the family. The program will provide a non-qualifying family with 120 days' notice of the requirement to relocate from an excepted unit to other housing.

Determining the Rent to Owner

The rent to owner (except for certain tax credit units) must not exceed the lowest of:

1. An amount determined by the program not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by HUD) for the unit bedroom size minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner.

In the case of a tax credit unit described in 24 C.F.R. §983.301(c)(1), the rent to owner must not exceed the lowest of:

1. The tax credit rent minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner.

Redetermination of Rent to Owner

The owner must request an increase in the rent to owner at the annual anniversary of the HAP Contract by written notice to the program. The owner's request must be received a minimum of sixty (60) days in advance of the annual anniversary of the HAP Contract.

Reasonable Rent

The program must re-determine the reasonable rent:

1. Whenever there is a 5 percent or greater decrease in the published FMR in effect sixty (60) days before the contract anniversary (for the unit sizes specified in the HAP Contract) as compared with the FMR in effect one (1) year before the contract anniversary;
2. Whenever the program approves a change in the allocation of responsibility for utilities between the owner and the tenant;
3. Whenever the HAP Contract is amended to substitute a different contract unit in the same building; and
4. Whenever there is any other change that may substantially affect the reasonable rent.

Payment to Owner

Except for discretionary vacancy payments in accordance with 24 C.F.R. §983.352, *Vacancy payment*, the program may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

Vacancy Payments

The program will make vacancy payments to an owner for a period of vacancy not to exceed one (1) additional month following the move-out month. The amount of the payment is limited to 80 percent of the rent to owner.

The program may make vacancy payments to the owner only if:

1. The owner gives the program prompt, written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief);
2. 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;
3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
4. The owner provides any additional information required and requested by the program.

The program may not make any payment to the owner for any damage to the unit, or for any other amount owed by a family under the family's lease.

Other Fees and Charges

In assisted living developments receiving project-based assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Nonpayment of such charges is grounds for termination of the lease by the owner in an assisted living development.

REASONABLE ACCOMMODATION POLICY AND PROCEDURES

The DCA is committed to ensuring that the policies and procedures of its programs do not deny individuals with disabilities the opportunity to participate in, or benefit from, those programs. The DCA is also committed to ensuring that its policies and procedures do not otherwise discriminate, on the basis of disability, in connection with the operation of those programs, services and activities. Therefore, if an individual with a disability requires an accommodation, such as an accessible feature for the assisted unit or modification to an existing policy, the DCA will provide such reasonable accommodation unless doing so would result in a fundamental alteration in the nature of the program or an undue financial or administrative burden. In such case, the DCA will attempt to make another accommodation that meets the needs of all involved.

A reasonable accommodation is a change, modification, alteration or adaptation in policy, procedure, practice or program that provides a qualified individual with a disability the opportunity to participate in or benefit from one of the DCA's programs.

The DCA will post a copy of this Reasonable Accommodation Policy and Procedures (Policy) in the Central Administrative Office located at 101 South Broad Street, Fifth Floor in Trenton and copies will be available in each field office upon request. In addition, the Policy as contained in this *Administrative Plan* is available online to all program participants. Finally, individuals will receive a copy of the Policy in the tenant briefing packet.

Legal Authority

The DCA is subject to federal civil rights laws and regulations. The Policy is based on the following authorities:

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.S. §794; 24 C.F.R. Part 8)
Title II of the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C.S. §§12101 *et seq*)
Fair Housing Act of 1968, as amended (Fair Housing Act) (42 U.S.C.S. §§3601-20; 24 C.F.R. Part 100)
Architectural Barriers Act of 1968 (42 U.S.C.S. §§4151-4157)
Respective implementing regulations for each Act

Monitoring and Enforcement

The DCA's Section 504/ADA Coordinator is responsible for monitoring the DCA's compliance with this Policy. Individuals who have questions regarding this Policy, its interpretation or implementation should contact the DCA's Section 504/ADA Coordinator in writing, by telephone, by facsimile, or by appointment, as follows:

Gabrielle Gallagher, Section 504/ADA Coordinator
Housing Assistance Programs
NJ Department of Community Affairs
101 South Broad Street, Eighth Floor
Trenton, New Jersey 08625
Telephone: (609)292-4096
Facsimile: (609)984-6696

The Section 504/ADA Coordinator will ensure that all appropriate DCA staff receives annual training on the Reasonable Accommodation Policy and Procedures, including all applicable federal, state and local requirements regarding reasonable accommodations.

Reasonable Accommodations

A person with a disability may request a reasonable accommodation at any time during the application process. The individual, DCA's Section 504/ADA Coordinator, or another person identified by the individual, must reduce all requests for reasonable accommodation(s) to writing.

Reasonable accommodation methods or actions that may be appropriate for a particular program and individual may be found to be inappropriate for another program or individual. The decision to approve or deny a request for a reasonable accommodation is made on a case-by-case basis and takes into consideration the disability and needs of the individual.

Application of Reasonable Accommodation Policy and Procedures

The Policy applies to individuals with disabilities applying to or participating in the programs administered by the DCA.

Person with a Disability

A person with a disability, as defined by the Federal Fair Housing Act¹, is an individual who has a physical or mental impairment that substantially limits one or more major life activities. As used in this definition, the phrase "physical or mental impairment" includes:

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

¹ This definition is nearly identical under Section 504 and the ADA.

(2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

24 C.F.R. §100.201.

Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing and learning. 24 C.F.R. §100.201.

The definition of disability does not include any individual who is an alcoholic whose current use of alcohol prevents the individual from participating in the public housing program or activities, complying with the obligations of program participation, or whose participation, by reason of such current alcohol abuse, would constitute a direct threat to property or the safety of others. The definition does protect individuals who are currently receiving treatment for their alcoholism.

Examples of Reasonable Accommodations²

Examples of reasonable accommodations may include, but are not limited to:

- (a) Allowing a live-in aid to reside in a tenant's unit;
- (b) Making documents available in large type, computer disc or Braille;
- (c) Providing qualified sign language interpreters for program participants meeting with DCA staff;
- (d) Permitting an outside agency or family member to assist a program participant to meeting the essential terms of the household's obligations of participation in the DCA housing assistance program;
- (e) Providing an additional, reasonable amount of time within which the program participant must complete paperwork or a recertification.

Processing of Requests for Reasonable Accommodations

The DCA will provide a Request for Reasonable Accommodation Form (Request Form), EXHIBIT 20-1, to all program participants or applicants. The Request Form will also be provided to any program participant or program applicant upon request.

Individuals may submit their reasonable accommodation request(s) in writing, orally, or by any other equally effective means of communication. Submission of the Request Forms is not mandatory.

However, the DCA will ensure that all reasonable accommodation requests will be reduced to

² The DCA will also provide, as an attachment to the Reasonable Accommodations Policy and Procedures, the Examples of Reasonable Accommodations document which has been approved by the U.S. Department of Housing and Urban Development.

writing within 24 hours of receipt. If needed as a reasonable accommodation, the DCA will assist the individual in completing the Request Form.

The following procedures will be followed:

- (a) The DCA will provide all program participants with the Request Form as a part of the participant briefing packet. The Request Form will be provided in an alternative format upon request.
- (b) Reasonable accommodations will be made for program participants during the eligibility determination process in an accessible location. Applications for participation will be made available in accessible formats. The DCA will provide program participants with appropriate auxiliary aids and services, including qualified sign language interpreters and readers, upon request.
- (c) The DCA will provide program participants with the Request Form, if requested, during the annual re-certification process, and upon request at any other time. The DCA will provide the Request Form in an alternate form upon request.
- (d) Program participants seeking accommodation(s) may contact the Field Office Supervisor at the county field office in which they reside. In addition, program participants may also contact the Section 504/ADA Coordinator's office directly to request the accommodation(s).
- (e) Within two (2) business days of receipt, the DCA field office will forward the participant's reasonable accommodation request(s) to the office of the Section 504/ADA Coordinator.

- (f) Within five (5) business days of receipt, the office of the Section 504/ADA Coordinator, or the program participant's Field Office Supervisor, will respond to the program participant's request.
- (g) If additional information or documentation is required, the Section 504/ADA Coordinator's office will notify the program participant, in writing, of the need for the additional information or documentation. The Section 504/ADA Coordinator's office will provide the program participant with a Request for Information or Verification Form. The written notification will provide the program participant with a deadline for submission of the outstanding information or documentation. Such deadline will allow the participant a reasonable amount of time for submission of the requested documentation. If needed as an accommodation, and if feasible, the DCA will assist the program participant in obtaining the requested information or documentation.
- (h) Within ten (10) business days of receipt of the request and, if necessary, all additional supporting documentation, the DCA will provide written notification to the program participant of the decision to approve or deny the participant's request(s). Upon request, the written notification will be provided in an alternate format. Approval for Request for Reasonable Accommodation (EXHIBIT 20-3); Denial of Request for Reasonable Accommodation (EXHIBIT 20-4)
- (i) If the DCA approves the accommodation request(s), the program participant will be notified of the projected date for implementation.
- (j) If the accommodation is denied, the program participant will be notified of the reasons for denial. In addition, the notification of denial will also provide the program participant with information regarding the DCA's grievance process and the right of the program participant to file a complaint with HUD.

- (k) All reasonable accommodations that have been approved by the Section 504/ADA Coordinator will be forwarded to the appropriate Field Office Supervisor for implementation. All requests for reasonable accommodation that are approved by the Field Office Supervisor will promptly be implemented.

Verification of Reasonable Accommodation Request

The DCA may request documentation supporting the need for a reasonable accommodation as identified on the Request Form. In addition, the DCA may request that the individual, or the individual's health care provider, provide suggested reasonable accommodations.

The DCA may verify a person's disability only to the extent necessary to ensure that individuals who have requested a reasonable accommodation have a disability-based need for the requested accommodation.

The following "informants" may provide verification of a program participant's disability and the need for the requested accommodation(s):

- (a) Physician;
- (b) Licensed health professional;
- (c) Professional representing a social service agency; or
- (d) Disability agency or clinic.

The Field Office Supervisor will forward the request for accommodation, including all supporting documentation, to the DCA's Section 540/ADA Coordinator within five (5) days of receipt.

Denial of Request for Reasonable Accommodation

Requested accommodations will not be approved if one of the following would occur as a result:

- (a) A violation of state and/or federal law;
- (b) A fundamental alteration in the nature of the DCA's housing program;
- (c) An undue financial and/or administrative burden on the DCA.

Transfer as Reasonable Accommodation

The DCA shall not require a program participant with a disability to accept a transfer in lieu of provision of a reasonable accommodation.

Service or Assistance Animals

Program participants with disabilities are permitted to have assistance/emotional support animals, if such animals are necessary as a reasonable accommodation for their disabilities.

Right to Appeal/Grievance Process

The program participant may file a grievance with the DCA's Section 504/ADA Coordinator as indicated in the Denial of Request for Reasonable Accommodation form (EXHIBIT 20-4).

A program participant may, at any time, file a complaint with the U.S. Department of Housing and Urban Development (HUD). Individuals may contact the local HUD office at:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
One Newark Center, 13th Floor
Newark, New Jersey 07102
Telephone: (973) 776-7307
Facsimile: (973) 645-6423

**NJ DEPARTMENT OF COMMUNITY AFFAIRS
HOUSING ASSISTANCE PROGRAMS
CENTRAL ADMINISTRATIVE OFFICES
PO BOX 051
TRENTON, NJ 08625-0051**

REQUEST FOR REASONABLE ACCOMMODATIONS

You may utilize this form to request that DCA provide a reasonable accommodation to you, or any member of your household who has a disability, so that you or a member of your household may access the DCA’s programs.

For purposes of this form, please refer to the “Reasonable Accommodation Policy” to determine whether you are a “qualified individual with a disability.”

If you would like to request a reasonable accommodation on behalf of yourself or a member of your household, please complete this form. You must date and sign your name at the bottom of this form and return the form to the DCA’s Housing Assistance Programs Field Office Supervisor. If you need assistance in understanding whether you or a member of your household is a “qualified individual with a disability” or if you need assistance in completing this form, please contact the DCA’s Field Office Supervisor or the DCA’s Section 504/ADA Coordinator.

Date of Request

Social Security Number

Name of Participant

Telephone Number

Address

City/State/Zip Code

REQUEST FOR REASONABLE ACCOMMODATIONS – PAGE 2

1. I am requesting the following reasonable accommodations(s):

2. I am requesting the reasonable accommodation(s) on behalf of (name):

3. My reason(s) for requesting this reasonable accommodation:

A physician, licensed health care professional, professional representing a social service agency, disability agency or clinic may provide verification of your disability.

The DCA may require documentation to support your reasonable accommodation request(s).

Signature of Participant

Date

**NJ DEPARTMENT OF COMMUNITY AFFAIRS
HOUSING ASSISTANCE PROGRAMS**

**AUTHORIZATION FOR RELEASE OF INFORMATION
REGARDING REASONABLE ACCOMMODATION(S) REQUEST**

RE:

Household member with disability: _____

I hereby authorize **[Insert name and address of health care provider or other appropriate documenting authority]** to consult with representatives of the DCA, in writing, in person, or by telephone concerning the physical or mental impairment(s) that I assert to qualify as an individual with a disability for the sole purpose of this reasonable accommodation request.

I hereby authorize the release of information to the DCA regarding the request for reasonable accommodation described on this form. This release shall constitute a limited authorization for the release of information, as described below.

This Authorization solely authorizes the release of information necessary to verify the following:

1. Documentation necessary to verify that the above-named individual meets the definition of a “qualified individual with a disability”, as defined below;
2. A description of the needed reasonable accommodation(s); and,
3. A description of the identifiable relationship between the individual’s disability and the requested reasonable accommodation(s).

For purposes of this Release, a “Qualified Individual with a Disability” is defined as a person who has a physical or mental impairment that:

1. Substantially limits one or more major life activities
2. Has a record of such an impairment
3. Is regarded as having an impairment

“A Physical or Mental Impairment” is defined as:

1. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the body systems including, but not limited to: neurological, musculoskeletal, special sense organs, respiratory, and speech organs; or
2. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness and specific learning disabilities.

The term “Physical or Mental Impairment” includes, but is not limited to, such diseases and conditions as visual, speech and hearing impairments, epilepsy, multiple sclerosis, cancer, etc.

“Major Life Activities” include functions such as caring for one’s self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

“Has a Record of Such an Impairment (mental or physical)” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is Regarded As Having an Impairment” means:

1. Has a physical or mental impairment that does not substantially limit one or more major life activities, but is treated by a recipient as constituting such a limitation.
2. Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward the impairment.
3. Has none of the impairments defined by Section 504’s definition of “physical or mental impairment, but is treated by a recipient as having such an impairment.

In addition, I authorize **[Insert name of health care provider or other appropriate documenting authority]** to provide only documentation that is necessary to verify that I meet the definition of a “Qualified Individual with a Disability”, as defined above.

This Authorization for Release of Information should only seek information that is necessary to determine if the requested reasonable accommodation is needed because of a disability.

This Authorization does not authorize the DCA to examine my medical records, including diagnosis or test result(s); nor does this authorize the release of detailed information about the nature or severity of my disability. Any information or documentation released as a result of this Authorization shall be kept confidential and will not be shared with anyone other than (a) the individual requesting the reasonable accommodation, or (b) unless required to make or assess a decision to grant or deny a reasonable accommodation request.

Name of Family Member/Parent/Legal Guardian [Print]

Signature

Relationship to Participant

Date

PLEASE PROVIDE THE FOLLOWING INFORMATION:

- (1) Informant's (see page 20-8 above) Name and Address
- (2) Informant's Telephone Number and Fax Number
- (3) Informant's Email Address

**NJ DEPARTMENT OF COMMUNITY AFFAIRS
HOUSING ASSISTANCE PROGRAMS**

APPROVAL OF REQUEST FOR REASONABLE ACCOMMODATION

Date: _____

To: **[Provide Participant's Name & Address]**

Dear Participant:

Your request for reasonable accommodation has been received by the Department of Community Affairs (DCA). Specifically, you requested **[describe specific accommodation request(s)]**.

- _____ The DCA will provide you with the requested accommodation(s).

If you think that this change or modification is not what you requested, you may contact the DCA Section 504/ADA Coordinator Gabrielle Gallagher at (609)292-4096.

In addition, you may exercise your right to file a complaint with the U.S. Department of Housing and Urban Development. You may contact your local HUD office at:

U.S. Department of Housing and Urban Development
Newark Office
One Newark Center, 13th Floor
Newark, NJ 07102
Telephone: (973) 776-7307
Facsimile: (973) 645-6423

Sincerely,

Name/Title

**NJ DEPARTMENT OF COMMUNITY AFFAIRS
HOUSING ASSISTANCE PROGRAMS**

DENIAL OF REQUEST FOR REASONABLE ACCOMMODATION

Date: _____

To: **[Provide Participant's Name & Address]**

Dear Participant:

Your request for reasonable accommodation has been received by the Department of Community Affairs (DCA). Specifically, you requested **[describe specific accommodation request(s)]**. Following our review of your request, we have denied your request for the following reason(s):

- _____ You do not meet the definition of a “qualified individual with a disability” as explained in the “Reasonable Accommodation Policy and Procedures” and, therefore, the DCA is not required to provide you with a reasonable accommodation.
- _____ The DCA has determined that your request is not “reasonable” for the following reasons: **[describe specific basis for unreasonable determination]**

Although the DCA was unable to approve your specific reasonable accommodation request(s), we would like to meet with you to discuss an alternative accommodation that may meet our needs. You may bring a friend, advocate or attorney with you to meet with us. The meeting has been scheduled to occur on **[insert date, time and location, including address, of proposed meeting.]** If you are unable to attend this meeting at this scheduled time, please contact the office at **[provide office telephone number]** to reschedule a mutually convenient date and time for the meeting.

If you disagree with the DCA's decision, you may file a grievance. Contact DCA Section 504/ADA Coordinator Gabrielle Gallagher at (609)292-4096.

In addition, you may exercise your right to file a complaint with the U.S. Department of Housing and Urban Development. You may contact your local HUD office at

U.S. Department of Housing and Urban Development
Newark Office
One Newark Center, 13th Floor
Newark, NJ 07102
Telephone: (973) 776-7307
Facsimile: (973) 645-6423

Sincerely,

Name/Title

State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources

Housing Choice Voucher Program
Administrative Plan Appendix A

Determination of Tenant Rent to Owner

State Fiscal Year 2017 (July
1, 2016 – June 30, 2017)

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Definition of Annual Income (24 C.F.R. §5.609)

Income Inclusions

Annual income means all amounts, monetary or not, which:

- Go to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member; or
- Are anticipated to be received from a source outside the household during the twelve (12) month period following admission or annual reexamination effective date; and
- Which are not specifically excluded in 24 C.F.R. §5.609 (c).
- Annual income also means amounts derived (during the twelve (12) month period) from assets to which any member of the household has access.

Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions and garnishments, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in IRS regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in item 17 of Income Exclusions);
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in item 3 of Income Exclusions);

6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - (a) The amount of the allowance or grant exclusive of the amount specifically designed for shelter or utilities; plus
 - (b) The maximum amount that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
8. All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in item 7 of Income Exclusions); and
9. Any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. §1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. §1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for a person over the age of 23 with dependent children or for a person with disabilities who was receiving housing assistance as of November 30, 2005. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income (also see item 6 of Income Exclusions).

Income Exclusions

Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in item 5 of Income Inclusions);
4. Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member;

5. Income of a live-in aide, as defined in 24 C.F.R. §5.403;
6. The full amount of student financial assistance paid directly to the student or to the educational institution when the student is residing with his or her parents, or is residing with parents who are applying to receive Section 8 assistance (also see item 9 of Income Inclusions);
7. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire;
8. Amounts received under training programs funded by HUD;
9. Amounts received by a person with a disability that are disregarded for a limited time for purposes of SSI eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
11. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one (1) such stipend during the same period of time;
12. Incremental earnings and benefits resulting to any household member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the household member participates in the employment training program;
13. Temporary, nonrecurring or sporadic income (including gifts);
14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
15. Earnings in excess of \$480 for each full-time student, 18 years old or older (excluding the head of household and spouse);
16. Adoption assistance payments in excess of \$480 per adopted child;

17. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts;
18. Amounts received by the household in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
19. Amounts paid by a state agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
20. The value of the allotment provided to an eligible household under the Food Stamp Act;
21. Payments to volunteers under the Domestic Volunteer Services Act;
22. Payments received under the Alaska Native Claims Settlement Act;
23. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
24. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;
25. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
26. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
27. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court;
28. Payments received from programs funded under Title V of the Older Americans Act;
29. Payments received on or after January 1, 1989 from the Agent Orange Settlement Fund;
30. Payments received under the Maine Indian Claims Settlement Act;
31. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
32. Earned income tax credit (EITC) refund payments received on or after January 1, 1991;
33. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
34. Any allowance to a child suffering from spina bifida who is the child of a Vietnam veteran;

35. Any amount of crime victim compensation received under the Victims of Crime Act;
36. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998;
37. Increases in the earned income of an adult household member who is a person with disabilities;
38. Kinship care payments for children living with a related legal guardian; and
39. Any *deferred* Department of Veterans Affairs (VA) disability benefits that are received in a lump-sum amount or in prospective monthly amounts.

Projecting Total Annual Income

Annual income is the gross amount of income anticipated to be received by the household during the twelve (12) months following the effective date of the certification or reexamination.

The rules are structured so that the definition of annual income includes income from all sources except those specifically excluded by 24 C.F.R. §5.609(c).

Computing Total Annual Income

Use current circumstances to anticipate income, unless verification forms indicate an imminent change.

Annualize all income, including income that may not last the full twelve (12) months (such as unemployment benefits). When circumstances change, an interim reexamination may be processed (EXHIBIT 11-2).

Convert earned income to annual income as follows:

- Multiply average weekly wage by 52.
- Multiply average bi-weekly wage by 26.
- Multiply average semi-monthly wage by 24.
- Multiply average monthly wage by 12.

Income of Dependents

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

Income from the employment of children (including foster children) under the age of 18 years is not counted.

Benefits and other non-earned income paid directly to or on behalf of a dependent are counted.

Payments received for the care of foster children or foster adults are not counted.

Income from Assets

When net family assets are \$5,000 or less, count as income the anticipated income to be received from the assets.

When family assets are more than \$5,000, use the greater of:

- The anticipated income from the assets; or
- A percentage of the value of the assets based on the current passbook savings rate.

The current passbook savings rate is 2.0 percent.

For example:

- An applicant has \$8,000 in assets.
- Anticipated income from assets is \$220.
- Amount based on the current passbook savings rate is:

$$\begin{array}{r} 8,000 \\ \times 0.02 \text{ (passbook savings rate)} \\ \hline \$160 \end{array}$$

In this case, use \$220 to compute total annual income.

Income of Temporarily Absent Military Personnel

The program must determine if absent military personnel are household members. If they are, all regular pay, special pay and allowances must be counted even if the full amount is not available to the household. The special pay to a household member who is exposed to hostile fire, however, is not counted.

Income of Confined Household Members

If a household member is confined to a nursing home or a hospital on a long-term or permanent basis, the program must determine whether to:

- Include the income of the household member to take any deductions for which the individual would qualify; or
- Exclude the income and not take any deductions for the individual.

Regular Contributions or Gifts

Regular contributions or gifts, received from organizations or from persons not residing in the assisted unit, must be counted as income. This may include rent and utility payments paid on behalf of the household and other cash or non-cash contributions provided on a regular basis. (It does not include amounts the household received or benefited from that are specifically for the cost of medical expenses for any household member. See income exclusion number 4 on page 2.)

The program should determine whether non-cash contributions are provided on a regular basis or are temporary, nonrecurring or sporadic contributions that should not be counted.

Alimony and Child Support

Count amounts awarded as part of a divorce or separation agreement unless the program verifies that the income is not provided. If the household is not receiving the full amount, it should have made a reasonable effort to collect amounts due including filing with courts or agencies responsible for enforcing payment.

Net Income from a Business

Income from a business includes net income, salaries and other amounts distributed to household members from the business.

Generally, net income equals gross income less business expenses for depreciation of assets based on straight-line depreciation as provided in IRS regulations. Expenditures for business expansion or amortization of capital indebtedness may not be used as deductions in determining net income.

Withdrawal of cash or assets from a business is counted as income except when the withdrawal is reimbursement of cash or assets invested in the business by the household.

Lump-Sum Payments Counted as Income

Generally, lump-sum amounts received by a household are considered assets, not income. Examples include:

- Inheritances;
- Insurance payments;
- Cash from the sale of property or other assets;
- Lottery winnings paid in one payment; and
- Capital gains.

Lump-sum payments caused by delays in processing periodic payments such as unemployment benefits or welfare assistance are counted as income. However, deferred periodic amounts from

Supplemental Security Income and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts are excluded.

For example:

Household member lost job on April 20th.

The program processes an interim reexamination, based upon no earned income, which reduces the tenant rent to owner to zero effective on May 1st.

On June 10th, the household receives a lump-sum payment of \$1,400 to cover the period of time from April 21 through June 7 and begins to receive \$200 per week.

The program processes an interim reexamination effective on August 1st which includes the following as annual income:

1,400	Lump-sum payment
+ 10,400	\$200/week unemployment
\$11,800	Total annual income

Disallowance of Increase in Earned Income for Persons with Disabilities

This disallowance applies to households whose annual income increases because of employment of a disabled adult household member in any of the following circumstances:

- The disabled household member who is employed was unemployed for one (1) or more years before employment (this includes people who have earned less than they would have received at minimum wage for ten (10) hours of work for fifty (50) weeks).
- The disabled household member has increased earnings during participation in any economic self-sufficiency or other job-training program.
- The disabled household member has either increased earnings or new employment and has received assistance, benefits or services from the TANF Program in the last six (6) months that are worth at least \$500. The benefits and services could include one-time benefits, stipends, wage subsidies, or other forms of assistance.

Effective date of rule: February 20, 2001.

This exclusion applies to the Housing Choice Voucher Program and the following HUD programs:

- Public Housing;
- HOME Investment Partnerships;
- Housing Opportunities for Persons with AIDS; and
- Supportive Housing.

For example:

If a household was receiving public assistance of \$4,078 per year, and a disabled adult household member went to work earning \$5.75 per hour for a thirty (30) hour workweek, the household's

income would increase to \$8,970 per year. The \$4,892 difference between the household's former welfare income and the new earned income is the amount subject to the exclusion.

Initial twelve (12) month exclusion. The entire amount of increased earned income is excluded for the first twelve (12) months following the point when the employment begins or the household first experiences an increase in annual income attributable to employment.

Second twelve (12) month exclusion and phase-in. During the second twelve (12) month period, only 50 percent of the increased amount is excluded.

In this case (and assuming no other changes in income during the period discussed), the household's rent would continue to be calculated on the former income of \$4,078 for twelve (12) months and then, during the second twelve (12) months, would be increased by \$2,446, which is 50 percent of the \$4,892 increase in earned income.

There are special provisions for households that move in and out of employment. There is a maximum term for the combined full and 50 percent exclusion of forty-eight (48) months beginning at the time of the first employment related exclusion. For example, if a disabled household member goes to work on April 15, 2001 and stops work on October 15, 2001 that member would still be entitled to another six (6) months of full exclusion. If the disabled person does not return to work until April 15, 2003, the full exclusion period will end on October 15, 2003. At this point, if the disabled person is still employed, they begin the 50 percent exclusion period. Regardless of what may happen in their employment history, they cannot receive the benefit of the 50 percent exclusion period after April 15, 2005, because this is the point when the forty-eight (48) month limit will be reached.

If the household's income changes in some other way, their share of the rent is adjusted. For example, if a person with additional income joins the household an interim reexamination is conducted as usual.

The disallowance of increases in income does not apply for purposes of admission to the program.

Net Family Assets (24 C.F.R. §5.603, Definitions)

Assets Include:

1. The current balance in a savings account and the average balance for the last six (6) months in a checking account. The DCA will disregard the first \$1,000 in a household's checking account.
2. Stocks, bonds, and other forms of capital investment.
3. The equity in real estate. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
4. The cash value of a trust that is available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty.
6. Contributions to company retirement/pension funds. While a person is employed, count only amounts the individual can withdraw without retiring or terminating employment.
7. Personal property held as an investment such as jewelry, gems, coin collections, etc.
8. Lump-sum receipts such as inheritances, insurance payments, capital gains and settlement for personal or property losses.
9. The value of any business or household assets disposed of by an applicant or participant for less than fair market value, during the two (2) years preceding the date of application for the program or reexamination, in excess of the consideration received.
10. Value of life insurance policies with a "cash value" such as whole life, variable life and universal life. (Term insurance policies do not have a cash value)

Assets Do Not Include:

1. Necessary items of personal property such as furniture and automobiles.
2. Interest in Indian trust land.
3. The value of a home currently being purchased with assistance under the Homeownership Program. This exclusion is limited to the first ten (10) years after the purchase date of the home.
4. Equity in the cooperative unit or manufactured home in which the household lives.

5. The value of a trust fund where the trust is not revocable by, or under the control of, any member of the household.
6. Assets that are part of an active business or farming operation. (Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's or participant's main occupation.)
7. Assets not accessible to the household and which provide no income to the household.

Valuing Assets

The value of assets may affect the family rent to owner because of the requirement to impute income if assets are greater than \$5,000.

When determining the cash value of an asset, the program must take into consideration the expenses involved in converting the asset to cash, such as:

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

Assets Disposed of for Less Than Fair Market Value

In determining net family assets, the program shall include the value of any business or family assets disposed of by an applicant or a participant for less than fair market value during the two (2) years preceding the date of application for the program or reexamination in excess of the consideration received.

For example:

An applicant "sold" her home to her daughter for \$25,000. The property was valued at \$75,000 and had no loans secured against it. Broker fees and settlement costs are estimated at \$7,500. The amount to be included as an asset is \$42,500.

\$75,000	Market value
- 25,000	Sale price to daughter
<u>- 7,500</u>	Fees
\$42,500	Cash value

HUD does not specify a minimum threshold for counting assets disposed of for less than fair market value. The program may establish a threshold that will enable the DCA to ignore small amounts such as donations to churches and charitable contributions. The DCA will not take into account an asset disposed of for less than fair market value when the cash value of the asset is less than \$1,000.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or participant receives important consideration not measurable in dollar terms.

Assets disposed of as a result of a foreclosure or bankruptcy are not considered assets disposed of for less than fair market value.

Verification of the cash value of an asset that was disposed of for less than fair market value is generally done by household certification of the following:

1. Identity of the asset;
2. Date the household disposed of the asset;
3. Amount the household received; and
4. The asset's fair market value at the time of disposition.

Joint Ownership

Assets that, although owned by more than one person, allow unrestricted access by the applicant or participant are counted in full.

Annual Income Exercise

Household Composition

Mark Murphy	Age 45	Head of household
Gail Murphy	Age 42	Spouse
Michael Murphy	Age 19	Son
Suzanne Murphy	Age 16	Daughter

Assets and Income from Assets

Checking account: 6 month average balance equals \$200 with no interest earned.

Savings account: current balance equals \$2,000. Anticipated annual interest earned is \$50.

Rental property appraised at \$80,000 with a mortgage balance of \$60,000.

Property is rented for \$5,400 per year. Annual expenses include:

- Interest on mortgage \$1,200
- Taxes \$2,500
- Insurance \$450
- Maintenance \$600
- Total \$4,750

The anticipated expenses to convert this asset to cash are equal to 10 percent of the fair market value of the property.

Other Income

Annual Amount

Mr. Murphy	Full-time job @ \$9.50/hour with a 40 hour workweek.	<u>\$19,760</u>
Mrs. Murphy	Part-time job @ \$150/week.	<u>7,800</u>
Michael	Full-time student with a part-time job @ \$8.00/hour with a 15 hour work week.	<u>480¹</u>
Michael	Receives a scholarship of \$3,500. His tuition, fees, etc. total \$5,000.	<u>N/A</u>
Suzanne	Full-time student with a part-time job @ \$400/month.	<u>N/A</u>
Total:		<u>\$28,040</u>

¹ Earnings in excess of \$480 for a full-time student who is 18 years old or older are excluded.

Real Property Worksheet

1. Cash Value of the Asset:

\$80,000	Fair market value
<u>- 60,000</u>	Mortgage balance
\$20,000	Equity

\$20,000	Equity
<u>- 8,000</u>	Expenses to convert to cash ²
\$12,000	Cash value

2. Income Generated by the Asset:

\$5,400	Annual rental income
<u>- 4,750</u>	Expenses ³
\$650	Annual income

² A standard allowance of ten percent of the current fair market value will be used unless the household verifies that their actual expenses were greater. Allowable expenses based upon IRS Publication 2119 *Sale of Your Home* include:

- Commissions
- Advertising
- Attorney and legal fees
- Title insurance
- Transfer and stamp taxes
- Recording fees
- Loan charges such as points charged to the seller

³ Expenses:

\$1,200	Interest on mortgage
2,500	Taxes
450	Insurance
<u>+ 600</u>	Maintenance
\$4,750	Total

Calculation of Total Annual Income

1. Type of Asset	2. Cash Value	3. Actual Income
Savings Account	\$2,000	\$50
Checking Account ⁴	0	0
Real Estate	12,000	650
Stocks, Bonds, CDs	0	0
Trust Account	0	0
IRA, Keogh	0	0
Total	\$14,000	\$700

If the total in item 2 exceeds \$5,000, complete item 4, otherwise, enter N/A in item 4 and go to item 5.

4. Imputed income from assets (item 2 x passbook rate of 2.0%) \$280

5. Annual income	
Wages	\$28,040
Social Security/SSI	0
Welfare	0
Pension	0
Alimony/Child Support	0
Unemployment	0
Disability	0
Net Business Income	0
Other	0
Total	\$28,040

6. Income from assets (greater of item 3 or item 4) \$700

7. Annual income (item 5 + item 6) \$28,740

⁴ The DCA will disregard the first \$1,000 in a household's checking account.

Adjusted Income (see 24 C.F.R. §5.611)

Adjusted income means annual income less the following:

For all households:

- \$480 for each dependent;
- Reasonable child care expenses; and
- Unreimbursed disability assistance expenses.

For any elderly family or disabled household:

- A \$400 household allowance; and
- Unreimbursed medical expenses.

Dependent Allowance

The household receives a \$480 allowance for each household member who is:

- Under 18 years of age;
- A person with a disability; or
- A full-time student (see EXHIBIT A-12).

The head of household, spouse, co-head of household, foster children, foster adults or live-in aide are never counted as dependents.

A full-time student is a person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program as well as an institution offering a college degree.

Elderly/Disabled Household Deduction

A deduction of \$400 per household is permitted for all households in which the head of household or spouse is at least 62 years of age, or a person with disabilities.

The \$400 is a household deduction. Only one (1) elderly household deduction per household is permitted, even if both the head of household and spouse are elderly or disabled.

Child Care Expenses

Reasonable child care expenses for the care of children, including foster children, less than 13 years of age may be deducted from annual income if all of the following are true:

1. The care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education;
2. An agency or individual outside the household does not reimburse the expense;
3. An adult household member capable of providing child care is not available; and
4. The expenses do not exceed the amount of employment income that is included in annual income.

Child support payments to guardians or estranged partners on behalf of a minor who is not living in the assisted household cannot be deducted.

When more than one (1) household member works, the program must determine which household member is enabled to work. A good general rule would be to assume that the child care expenses enable the lowest paid individual to work, unless this is obviously not the case.

When a household member works and goes to school, the program must prorate the expense so that the appropriate portion can be compared with the amount of employment income that is included in total annual income.

When the same care provider takes care of a child and a person with a disability over the age of 12, the verification must be itemized because of the 3 percent rule with disability assistance expenses.

For example:

Head	\$15,000	Wages
Spouse	\$8,000	Wages
Son	Age 12	
Son	Age 15	Person with disabilities

Both sons are cared for by one (1) care provider who charges \$150 per week (\$50 for child care and \$100 for disability assistance expenses).

50 x 52 = \$2,600	Child care
100 x 52 = \$5,200	Total disability assistance expenses
<u>- 690</u>	3% of annual income
\$4,510	Allowable disability assistance expenses

Allowable disability assistance expenses	\$4,510
Allowable child care	<u>+ 2,600</u>
	\$7,110

The total (\$7,110) is allowable because it does not exceed the employment ceiling of \$8,000.

Allowance for Disability Assistance Expenses

Reasonable expenses that are anticipated for attendant care and auxiliary apparatus for a disabled family member if such expenses:

1. Enable a household member, including the disabled member, to be employed;
2. Exceed 3 percent of total annual income;
3. Do not exceed the earned income of the household member enabled to work; and
4. Are not reimbursed by an outside source.

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc., if directly related to permitting the disabled member or other household member to be employed.

For example:

Head	Age 39	Earned income	\$19,000
Spouse	Age 35	Earned income	\$10,000
Son	Age 11	Person with disabilities	

Total disability assistance expenses are \$5,000.

Allowance for disability assistance expenses:

\$29,000	Total annual income
<u> x.03</u>	
\$870	3% of total annual income
\$5,000	Total disability assistance expenses
<u> - 870</u>	3% of total annual income
\$4,130	Allowable disability assistance expenses

The \$4,130 allowance for disability assistance is not greater than the amount earned by the household member enabled to work (the spouse).

If the household has both child care expenses and disability assistance expenses, the expenses must be prorated since they are computed differently.

A household whose head of household or spouse is elderly or a person with disabilities is also permitted a deduction for medical expenses. If a household has both disability assistance expenses and medical expenses, a special calculation is required (see page 20).

Medical Expenses

A deduction for medical expenses is permitted only for households in which the head of household or spouse is at least 62 years of age or a person with disabilities. If the household is eligible for a medical expense deduction, the expenses of all household members may be considered.

Medical expenses⁵ are out-of-pocket expenses anticipated to be incurred by the household during the twelve (12) month certification/reexamination period. They may include:

- Contact lenses and the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner;
- Dental treatment;
- Eyeglasses and fees paid for eye examinations;
- Hearing aids and the batteries to operate them;
- Hospital services;
- Insurance premiums;
- Laboratory fees;
- Medical services provided by physicians, surgeons, specialists, or other medical practitioners;
- Medicines (except for insulin, only prescribed medicines and drugs are allowed);
- Nursing services;
- Oxygen and oxygen equipment;
- Transportation; and
- X-ray fees.

See EXHIBIT A-1 for a listing of acceptable forms of verification.

The medical expense allowance is that portion of total medical expenses that is in excess of 3 percent of total annual income.

For example:

Head of household Age 62
Spouse Age 61

Total annual income: \$15,000

Total medical expenses: \$1,500

\$15,000	Total annual income
<u> x 0.03</u>	
\$450	3% of total annual income

\$1,500	Total medical expenses
<u>- 450</u>	3% of total annual income
\$1,050	Allowance for medical expenses

⁵ For a complete list of allowable items, see IRS Publication 502: *Medical and Dental Expenses*.

If the household has both disability assistance expenses and medical expenses a special calculation is required (see below).

Special Calculation for Households That Are Eligible for Disability Assistance Expenses and Medical Expenses

If a household has both medical expenses and disability assistance expenses, 3 percent of total annual income must first be deducted from the disability assistance expenses. Any remainder is deducted from medical expenses.

Example #1:

A household has \$1,000 in medical expenses and \$500 in disability assistance expenses. Their total annual income is \$20,000. The disability assistance enables a household member to work and earn \$5,000. Three percent of total annual income is \$600.

Total disability assistance expenses	\$500
Minus 3% of total annual income	<u>- 600</u>
	(\$100)
Allowance for disability assistance	0
Total medical expenses	\$1,000
Minus balance of 3% of total annual income	<u>- 100</u>
Allowance for medical expenses	\$900

Example #2:

A household has \$1,000 in medical expenses and \$4,000 in disability assistance expenses. Their total annual income is \$20,000. The disability assistance enables a household member to work and earn \$3,000. Three percent of total annual income is \$600.

Total disability assistance expenses	\$4,000
Minus 3% of total annual income	<u>- 600</u>
	\$3,400
Allowance for disability assistance (it cannot exceed income earned)	\$3,000
Total medical expenses	\$1,000
Allowable medical expenses (the entire 3% was deducted to compute the allowance for disability assistance)	\$1,000

Adjusted Income Exercise

Household Composition

Ralph Kramden	Age 63	Head of household
Alice Kramden	Age 60	Spouse, co-head of household

Assets

- Joint savings account with a current balance of \$8,000. Projected interest income is \$240.
- Non-interest bearing checking account. The average balance for the last 6 months is \$300.

Income

Ralph

- Social Security \$600/month
- Pension \$150/month

Alice

- Part-time job \$200/week

Medical Expenses

Ralph

- Medicare premium \$300/year
- Medication \$100/year

Alice

- Eye examination \$90/year
- Eyeglasses \$150/year
- Health insurance \$600/year

Calculation of Total Annual Income

1. Type of Asset	2. Cash Value	3. Actual Income
Savings Account	\$8,000	\$240
Checking Account ⁶	0	0
Real Estate	0	0
Stocks, Bonds, CDs	0	0
Trust Account	0	0
IRA, Keogh	0	0
Total	\$8,000	\$240

If the total in item 2 exceeds \$5,000, complete item 4, otherwise, enter N/A in item 4 and go to item 5.

4. Imputed income from assets (item 2 x passbook rate of 2.0%) \$160

5. Annual income	
Wages	\$10,400
Social Security/SSI	7,200
Welfare	0
Pension	1,800
Alimony/Child Support	0
Unemployment	0
Disability	0
Net Business Income	0
Other	0
Total	\$19,400

6. Income from assets (greater of item 3 or item 4) \$240

7. Annual income (item 5 + item 6) \$19,640

⁶ The DCA will disregard the first \$1,000 in a household's checking account.

Verification of Income, Assets, and Adjustments to Income

Verification Requirements

The program must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available (see 24 C.F.R. §982.516):

1. Reported total annual income;
2. The value of assets;
3. Expenses related to deductions from total annual income; and
4. Other factors that affect the determination of adjusted income.

All factors affecting eligibility and the tenant rent to owner must be verified in accordance with the standards of EXHIBIT A-1, Acceptable Forms of Verification.

Three (3) methods of verification are acceptable. They are, in the order of acceptability:

1. Third party written verification (may not be hand-carried by a member of the household), or third party oral verification (direct contact with a reliable source).
2. Review of original documents (EXHIBIT A-2), only when third party verification is not possible.
3. Household certification (notarized statement), when third party verification or review of documents is not possible.

Time limits do not apply to information that does not need to be re-verified (age, disability, etc.).

For interim reexaminations, only those factors that have changed must be re-verified.

All certifications from a third party, including facsimile transmissions, must be on the agency's letterhead, dated and signed by the appropriate representative of the agency.

Only original documents that identify the household member by name or Social Security number are acceptable. The program representative is required to photo-copy any original documents provided by the household, initial and date the copy in the lower right corner, and return the original to the head of household.

Original documents may be photocopied except where prohibited by law (e.g. government checks).

Verification Validity Period

All verification documents must be dated and current. A document used to determine initial program eligibility must not be dated more than sixty (60) days before the issuance date of a Voucher. At the time of execution of a HAP Contract, the program will reconfirm household composition and total annual income. If circumstances have not changed, according to the family,

the program does not have to obtain new verifications. If a change in circumstances has occurred, new verifications must be obtained.

A document that is used for an annual reexamination must not be dated more than 120 days before the HAP Contract anniversary date. A document that is used for an interim reexamination must not be dated more than 120 days before the effective date of the interim reexamination. Any verification document that exceeds the applicable validity period must be re-verified.

Acceptable Forms of Verification

A. Income

Wages/Salaries

1. Use of computer matching to obtain wage information electronically from the New Jersey Department of Labor and also from HUD's Enterprise Income Verification (EIV) System.
2. A *Verification of Employment* form (EXHIBIT A-8) completed by the employer.
3. A signed and dated letter on company letterhead specifying the gross pay per pay period and the payment schedule.
4. At least two (2) current and consecutive pay stubs that show the employer's name, gross pay per pay period, and the payment date.
5. A notarized certification by the household member that declares the member's total annual income from earnings.

Social Security Benefits

1. Use of HUD's Tenant Assessment Subsystem (TASS) and EIV System to obtain current benefit history reports for program participants.
2. A *Verification of Benefits* form (EXHIBIT A-9) completed by the Social Security Administration.
3. An original award or benefit notification letter from the Social Security Administration.
4. A computer printout from the Social Security Administration.

Welfare Benefits

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the welfare agency.
2. An original award or benefit notification letter from the welfare agency.
3. A signed and dated letter on the agency's letterhead specifying the gross monthly benefit amount.
4. A check stub from the welfare agency.

Pensions

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the pension provider.
2. An original benefit notice from the pension provider that verifies the payment schedule and the gross benefit amount.
3. An original check stub from the pension provider showing the monthly gross benefit amount.

Alimony or Child Support

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the agency that monitors payment (e.g. DYFS, probation, etc.).
2. A computer printout from the agency that monitors payment.
3. The original court order, separation or settlement agreement, or divorce decree stating the amount of payment, the type of support, and the payment schedule.
4. A notarized letter from the person paying the support identifying the amount of payment, the type of support, and the payment schedule.
5. A notarized certification by the head of household that declares the amount being received, the payment schedule and the name and address of the payer.

Unemployment Benefits

1. Use of computer matching to obtain unemployment compensation information electronically from the New Jersey Department of Labor, and also from HUD's EIV System.
2. A *Verification of Benefits* form (EXHIBIT A-9) completed by the unemployment agency.
3. An original benefit notice or unemployment check stub, or computer printout from the unemployment agency showing the weekly benefit rate.

Disability or Worker's Compensation

1. A *Verification of Benefits* form (EXHIBIT A-9) completed by the benefit provider.
2. An original benefit notification letter from the benefit provider that verifies the payment schedule and the gross benefit amount.

Self-Employment

1. A certified IRS tax return, for the prior year, including Schedule C, *Profit or Loss from Business or Profession*, and any other applicable attachments.
2. A certified accountant's financial statement showing the net annual income of the business.
3. A notarized certification by the head of household that declares the net income realized from the business during the previous year.

Regular Contributions or Gifts

1. A notarized certification by the person or agency providing the assistance stating the purpose of the gifts, the dates given, and the value of the gifts.
2. A notarized certification by the head of household identifying the provider's name and address, the purpose of the gifts, their value, and the dates received.

Household with No Income

1. The head of household completes a *Certification of Household Income* form and certifies that the household is receiving no income.
2. Each month, until a stable source of income is verified, the head of household must certify that the household receives no income by signing a *Certification of No Income* form (EXHIBIT A-3).

B. Net Family Assets

Savings Accounts and Checking Accounts

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. An account statement or passbook from the financial institution showing the current balance in a savings account and the rate of interest.
3. A program representative may verify the average balance for last six months in a checking account by using the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2).

Stocks, Bonds, Treasury Bills, Money Market Funds and Certificates of Deposit

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. An original monthly or quarterly statement, or a letter from the broker or financial institution, showing the value of the stock or bonds and the projected earnings.
3. If the number of stock shares has been verified, the current market value of the stock and dividends can be determined by checking the financial section of a newspaper. This information may be documented on the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2) or by the newspaper clipping.
4. Verification of the issuance date and total face value of U.S. Savings Bonds may be documented on the *Record of Third Party Verification: Review of Documents* form (EXHIBIT A-2). The current cash value of the bonds can then be determined by referring to the U.S. Department of the Treasury publication, *Values for U.S. Savings Bonds*.

Real Estate

1. The market value of real estate is verified by the municipal tax office's assessed valuation (if it uses approximate market value), or by an appraisal from a licensed real estate broker.
2. Verification of the household's expenses includes documentation such as a statement from the lender stating the monthly interest and the outstanding balance of any mortgages and/or loans on the property, property tax statements, insurance premiums, receipts for reasonable maintenance and bills for owner furnished utilities.
3. Any rental income received may be verified by a certified IRS tax return with schedule E, *Rental Income*, for the previous year, or by the current lease or lease renewal agreement.

4. A standard allowance of 10% of the current fair market value of the property will be used to estimate the household's expenses in converting the asset to cash unless the household verifies that their actual expenses were greater. Allowable expenses, based upon IRS Publication 2119, *Sale of Your Home*, are listed on page 14.

Trust Accounts

A letter or financial statement from the administrator of the trust showing the current balance of the trust, the schedule of any periodic payments to household members identified as recipients of the trust, and the extent of access that the household members have to the trust.

Individual Retirement Account, Keogh, 401(k), and Similar Retirement Accounts

1. A *Verification of Bank Accounts* form (EXHIBIT A-10) completed by the financial institution.
2. A statement or letter from the financial institution or employer that identifies the type of account, the current balance, rate of return, and the penalty for early withdrawal.

Contributions to Company Retirement Accounts

A certification from the employer that states the amount the individual can withdraw from the account without retiring or terminating employment.

Personal Property Held as an Investment

An appraisal by a recognized authority in the field that describes the personal property held as an investment, the current market value of the assets and the costs, if any, associated with converting the assets to cash.

Inheritances, Lottery Winnings, Capital Gains, Insurance Settlements and Other Lump-Sum Amounts Including Cash On Hand

1. A letter from the provider of the lump-sum that verifies the total amount the household received and the date the lump-sum payment was issued to the household.
2. A notarized certification from the head of household that identifies the source of the payment, the date the household received the lump-sum and the total amount received.
3. A notarized certification from the head of household of amounts in a safe deposit box and cash on hand that the household has elected not to put into savings accounts.

Assets Disposed of for Less Than Fair Market Value during the Two Years Preceding the Effective Date of Certification/Reexamination

A notarized certification by the head of household of all of the following is required:

1. Identification of the asset;
2. Date the household disposed of the asset;
3. Amount the household received; and
4. The market value of the asset at the time of disposition.

Value of Life Insurance Policies

A letter from the agent or an administrative officer of the insurance company stating the type of policy, whether it produces a dividend, and its current cash value, if any.

C. Adjustments to Income

Dependents

Adult Full-time Student. A certification from the registrar's office or appropriate school official stating the household member is carrying a subject load that is considered full-time for day students under the standards and practices of the institution (see EXHIBIT A-12).

New Household Member. The program will photocopy the new household member's birth certificate, Social Security card, and/or other appropriate documentation to verify the name, sex, Social Security number, date of birth, and relationship to the head of household.

Child Care Expenses

A notarized certification from the person providing the service or a letter from the day care center. The verification document must specify the names of the children cared for, the number of hours the service is provided, and the frequency and amount of compensation received. If child care is necessary so that a household member can seek employment, the household member also must submit a certification that justifies the total number of hours identified in the child care provider's verification document and must provide a further break down of the total hours if child care is also needed to further his or her education.

Disability Assistance Expenses

An allowance for disability assistance is permitted if a medical doctor or a rehabilitation agency has certified that the disabled person requires the services of an attendant or the use of auxiliary apparatus to permit the disabled person to be employed or to function sufficiently independently to enable another household member to be employed.

1. Written certification by the attendant of the number of hours of care provided, the cost, and the frequency of payments received from the household.
2. Receipts for the purchase of, or evidence of monthly payment for, auxiliary apparatus. Auxiliary apparatus includes wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc.

Elderly/Disabled Household Deduction

Elderly person. The program will photocopy the household member's birth certificate.

Person with disabilities. Verification that the head of household or spouse is a person with disabilities is by receipt of Social Security Disability or Supplemental Security Income benefits, or by certification of a physician on a *Certification of Disability* form (EXHIBIT 5-3).

Medical Expenses

An allowance for medical expenses is permitted only for households in which the head of household or spouse is at least 62 years of age, or a person with disabilities.

1. The certification of a doctor, dentist, pharmacist, or hospital or clinic administrative officer of the estimated medical costs to be incurred by the household. Agency developed forms are available to project pharmaceutical expenses (EXHIBIT A-4) and the cost of doctor visits (EXHIBIT A-5).
2. A payment agreement with a medical facility or cancelled checks that verify payments made on outstanding medical bills that will continue over all or part of the certification period.
3. Social Security Administration's written notice of Medicare premiums.
4. Health insurance company's billing statement or the household's personal check or money order documenting insurance premiums. If the household member is employed, see pay stubs or request employer's written confirmation.
5. Receipts or other records of medical expenses incurred during the past twelve (12) months that can be used to anticipate future medical expenses.
6. A certification from the provider of medical assistance of the number of hours the service is provided at the assisted unit and the frequency and amount of compensation received from the household.

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Record of Third Party Verification: Review of Documents

Re: _____
Applicant/Participant Tenant ID Number

Document(s) Viewed: _____

Or, Person Contacted: _____

Representing: _____

Item Verified: _____

Information Supplied: _____

Comments: _____

Signature of Program Representative

Date of Signature

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Certification of No Income

I certify that my household does not receive earned income, benefits, or dividends of any kind. I understand that it is my responsibility to notify the program in writing within ten (10) days of any change in my household's total annual income.

I understand that a program representative will conduct monthly examinations of my household's income until some form of income can be verified.

Sworn to or affirmed before me this _____ day of _____, 20 _____ .

My commission expires on _____

Signature of Notary _____

Affix seal

Signature of Deponent

Warning: Section 1001 of Title 18 of the United States Code makes it a criminal offense to make willful false statements or misrepresentations to any department or agency of the United States as to any matter within its jurisdiction.

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Pharmacist's Estimate of Medication Costs

Name of person: _____

It is estimated that the above named person will require the following medications during the next twelve (12) months:

at an estimated monthly cost of \$_____.

Name of Pharmacy: _____

Address: _____

City, State and Zip Code: _____

Telephone Number: _____

Signature: _____

Date of Signature: _____

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Physician's Estimate of Required Office Visits and Costs

Name of patient: _____

It is estimated that the above named patient will be required to visit my office for examination or treatment on _____ occasions during the next twelve (12) months.
(number)

The fee for services for each visit is estimated at \$_____.

It is estimated that the patient will require the following medications during the next twelve (12) months:

Name of Physician: _____

Address: _____

City, State and Zip Code: _____

Telephone Number: _____

Signature and Date: _____

Summary of Medical Expenses

Head of Household: _____ Tenant ID: _____

Certification/Reexamination Period: From _____ To _____

1. Required Office Visits for Medical Treatments

Family Member	Cost Less Insurance Payment	X	No. of Projected Treatments	=	Projected Cost
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____

2. Medical Insurance

Family Member	Premium Cost	X	Frequency Per Year	=	Projected Cost
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____

3. Cost of Prescription Medicines

4. Miscellaneous Medical Expenses

Family Member	Medical Expense Description	Projected Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. Grand Total

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program
Field Office Address
City, State, Zip Code

Request for Verification of Income

<<'Today's Date'>>

<<Employer, SSA, etc.>>

<<Address>>

<<City, State, Zip Code>>

Re: <<Applicant/Participant>>

<<Address>>

<<City, State, Zip Code>>

To Whom It May Concern:

The New Jersey Department of Community Affairs, Division of Housing and Community Resources, in accordance with the federal regulations for the Housing Choice Voucher Program, must verify information to determine if the above referenced household is eligible to participate or continue to participate in the Housing Choice Voucher Program. This person has agreed to this verification process as evidenced by their signature on the attached *Authorization for the Release of Information/Privacy Act Notice* form.

This letter represents a formal request to supply the information requested on the attached form.

Please complete and return the attachment along with any supporting documents to my attention as soon as possible. A self-addressed, stamped envelope is provided for your convenience. Should you have any questions regarding this matter, please do not hesitate to contact me at <<PHA Phone>>.

Thank you for your cooperation.

Sincerely,

Program Representative

Enclosures (2)

New Jersey Department of Community Affairs
 Division of Housing and Community Resources

Request for Verification

The person named below to the right has applied for housing assistance and has authorized verification of their income, assets, and expenses. Should you have any questions, please call <<PHA User>> at <<PHA Phone>>.

<<Source>>
 <<Source Address>>
 <<Source CSZ>>

<<Tenant Name>>
 <<Unit Address>>
 <<Unit CSZ>>

Phone: <<Source Phone>>

<<Tenant Social Security Number>>

Please complete the section below and return this form to: <<Field Office Address>>, <<Field Office CSZ>>. You may fax the completed form to <<Field Office Fax>>.

EMPLOYMENT DATES

Date Employment Began _____ Date Employment Ends or Ended _____

CURRENT SALARY INFORMATION

Base Pay Rate or Salary: \$ _____ per hr wk bi-wk yr
 Average Hours Worked per Week: _____

Overtime Pay Rate: \$ _____ per hr wk bi-wk yr
 Average Expected Overtime Hours per Week: _____

Gross Commission, Bonuses, Tips and Other: \$ _____ per hr wk bi-wk yr

SALARY HISTORY

Base Pay for Last 12 Months: \$ _____

Overtime Pay for Last 12 Months: \$ _____

FUTURE SALARY INFORMATION

Anticipated Salary Increase: \$ _____ per hr wk bi-wk yr
 Date of Expected Increase: _____

Thank you for your time and assistance.

 Signature

 Date

 Title

 Telephone Number

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Verification of Benefits

Name _____ Social Security Number _____

Indicate the gross monthly benefit amount the household receives from your agency and the payment schedule:

- TANF Assistance _____
- Alimony _____
- Child Support _____
- Disability or Worker's Compensation _____
- General Assistance _____
- Pension _____
- Social Security Benefits _____
- Social Security Disability _____
- Supplemental Security Income _____
- Unemployment Benefits _____
- Other _____

Benefits Began _____ Termination Date (if applicable) _____

Comments _____

Print Name of Agency Representative _____

Signature _____

Date of Signature _____

Telephone Number _____

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Verification of Bank Accounts

Name _____ Social Security Number _____

- Please List All Accounts -

1. Account number: _____

Type of account: _____

Current balance: _____

Rate of interest: _____

2. Account number: _____

Type of account: _____

Current balance: _____

Rate of interest: _____

3. Account number: _____

Type of account: _____

Current balance: _____

Rate of interest: _____

Name of Bank Officer

Signature

Date of Signature

Title

Telephone Number

Stamp of Banking Institution

New Jersey Department of Community Affairs
Division of Housing and Community Resources
Housing Choice Voucher Program

Certification of Need for Live-in Aide

For: _____ Tenant ID: _____

The Housing Choice Voucher Program regulations (24 C.F.R. §5.403) define a live-in aide as a person who resides with one or more elderly persons, or near-elderly¹ persons, or persons with disabilities, and who:

1. Is determined to be essential to the care and well-being of the person(s);
2. Is not obligated for the support of the person(s); and
3. Would not be living in the assisted housing unit except to provide the necessary supportive services.

I certify that the above referenced person requires the assistance of a live-in aide for a minimum of _____ days a week and between the hours of _____ to _____ (specify a.m. or p.m.) to perform essential care.

Physician's Name _____

Physician's License Number _____

Address _____

Telephone Number _____

Physician's Signature _____

Date of Signature _____

¹ Near-elderly family means a family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two (2) or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

New Jersey Department of Community Affairs
Division of Housing and Community Resources

Request for Verification of Full-Time Student Status

The person named below to the right has applied for federal housing assistance and has authorized verification of their income, assets, and expenses. Should you have any questions, please call <<User>> at <<PHA Phone>>.

<<Source>>
<<Source Mailing>>

<<Household Member>>
<<Tenant Mailing Address>>

Please complete the section below and return this form to the N.J. Department of Community Affairs, Division of Housing and Community Resources, <<Agency Address>> by <<Today Plus 2 Weeks>>. You may fax the completed form to <<Agency Fax>>.

Is the above referenced individual a full-time student in good standing at this institution?

- Yes
- No

Date Enrollment Began: _____

Anticipated Date of Program Completion: _____

Average Number of Credits per Semester/Quarter: _____

Thank you for your time and assistance.

Signature

Date

Title

Telephone Number

Guide to the Housing Choice Voucher Program



State of New Jersey
Chris Christie, Governor
Kim Guadagno, Lt. Governor

Department of Community Affairs
Charles A. Richman, Commissioner

Distributed by the
Department of Community Affairs
Division of Housing and Community Resources
101 South Broad Street
P. O. Box 051
Trenton, New Jersey 08625-0051

*GUIDE TO THE HOUSING
CHOICE VOUCHER PROGRAM*



State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources
101 South Broad Street
P. O. Box 051
Trenton, NJ 08625-0051

www.state.nj.us/dca/divisions/dhcr

July 2016



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The Housing Choice Voucher Program, administered by the New Jersey Department of Community Affairs (DCA), Division of Housing and Community Resources, is funded by the U.S. Department of Housing and Urban Development (HUD). The purpose of the program is to make decent, safe and sanitary housing available to very low-income households in the private rental market. Households that meet eligibility requirements generally pay no more than 30 percent of their adjusted monthly income towards their monthly rent and utility costs. The program pays the balance of the rent directly to the owner of the rental property.

Your program representative will play an important role in assisting you to receive housing assistance. The name, address and the telephone number of your program representative is:

Program Representative: _____

Field Office Address: _____

Telephone Number: _____

Offer of Assistance

Vouchers are issued based upon family size and composition. These subsidy standards are applied consistently for all households of like size and composition. They must also provide for the smallest number of bedrooms needed to house a family without overcrowding.

Subsidy Standards Used by the DCA to Issue Vouchers

Voucher Size	Household Size
0-bedroom	1
1-bedroom	1-2
2-bedroom	2-4
3-bedroom	4-6
4-bedroom	6-8
5-bedroom	8-10
6-bedroom	10-12

Exceptions to the subsidy standards may be considered because of the age, sex, health, handicap, relationship of household members or other individual circumstances. To request an exception from these standards, your request must be in writing. Your request must include an explanation of how a larger sized unit would improve the current circumstances of the household. Any supporting

documentation from a physician or another professional may be included with your request. A physician certification regarding the need for medical equipment must be provided at every annual recertification for as long as the equipment is needed.

In accordance with HUD directives, over-subsidization is not permissible. All households must be issued the smallest size Voucher that will accommodate the family size.

When you receive a Voucher, it means funds are being reserved to provide housing assistance for your household. You have 60 days from the date the Voucher was issued to satisfy the program's requirements.

Payment Standard Amounts

To determine the amount of housing assistance, the program has established a payment standard schedule that lists the payment standard amounts for each unit size in each county. Households have the opportunity to search for housing with a total housing cost that may be less than or greater than the payment standard.

The household's portion of the monthly rent will depend upon the total housing cost of the dwelling unit that is chosen. For example, if you find housing with a total housing cost that is less than the payment standard, you will pay 30 percent of your adjusted monthly income toward your rent and utilities. If the total housing cost is more than the payment standard, you will be required to pay more than 30 percent of your adjusted monthly income toward rent and utilities, up to a maximum of 40 percent, after which the unit no longer qualifies for participation in the program.

Adjusted Income

A household's share of the rent is based on the household's income. This amount is called the "total tenant payment" (TTP) and for most households it is based upon 30 percent of the household's *adjusted* monthly income. (In certain circumstances, a household's TTP can be based upon 10 percent of their *unadjusted* monthly income.) Adjusted income means annual income less the following:

For all households:

- \$480 for each dependent;
- Reasonable child care expenses; and
- Unreimbursed disability assistance expenses.

For any elderly family or disabled household:

- A \$400 household allowance; and
- Unreimbursed medical expenses.

Dependent Allowance. A dependent is defined as a household member who is:

- Under 18 years of age,
- A person with a disability; or
- A full-time student.

The head of household, spouse, foster children, foster adults, or live-in aide are never counted as dependents.

A full-time student is a person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program as well as an institution offering a college degree.

Child Care Expenses. Reasonable child care expenses for the care of children, including foster children, less than 13 years of age may be deducted from annual income if all of the following are true:

1. The care is necessary to enable a household member to actively seek employment, be gainfully employed, or to further his or her education;
2. An agency or individual outside the household does not reimburse the expense;
3. An adult household member capable of providing child care is not available; and
4. The expenses do not exceed the amount of employment income that is included in annual income.

Allowance for Disability Assistance Expenses. Reasonable expenses that are anticipated for attendant care and auxiliary apparatus for a disabled family member if such expenses:

1. Enable a household member, including the disabled member, to be employed;
2. Exceed 3 percent of total annual income;
3. Do not exceed the earned income of the household member enabled to work; and
4. Are not reimbursed by an outside source.

Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, special equipment to enable a blind person to read or type, etc., if directly related to permitting the disabled member or other household member to be employed.

Elderly/Disabled Household Deduction. If the head of household or spouse is elderly (age 62 or over), or a person with disabilities, a \$400 adjustment to income is permitted. The \$400 is a household deduction. Only one (1) elderly household deduction per household is permitted, even if both the head of household and spouse are elderly or disabled.

Medical Expenses. A deduction for medical expenses is permitted only for households in which the head of household or spouse is at least 62 years of age, or a person with disabilities. If the household is eligible for a medical expense deduction, the expenses of all household members may be considered.

Medical expenses are out-of-pocket expenses anticipated to be incurred by the household during the twelve (12) month certification/reexamination period. They may include:

- Contact lenses and the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner;
- Dental treatment;
- Eyeglasses and fees paid for eye examinations;
- Hearing aids and the batteries to operate them;
- Hospital services;
- Insurance premiums;
- Laboratory fees;
- Medical services provided by physicians, surgeons, specialists, or other medical practitioners;
- Medicines (except for insulin, only prescribed medicines and drugs are allowed);
- Nursing services;
- Oxygen and oxygen equipment;
- Transportation; and
- X-ray fees.

The medical expense allowance is that portion of total medical expenses that is in excess of 3 percent of the household's total annual income.

Basic Housing Requirements

In order to receive housing assistance, you need to understand some important requirements.

The dwelling unit that you select must meet federal housing quality standards (HQS). Any type of rental housing that meets these standards may be considered. A suitable dwelling unit is:

- In good condition;
- Free from health and fire hazards; and
- Large enough to meet the occupancy standards of the program.

To help you identify a suitable dwelling unit, you will be given a copy of two HUD brochures: *A Good Place to Live* and *Protect Your Family From Lead in Your Home*.

You and your prospective landlord are required to sign a *Request for Tenancy Approval* form. A copy of this HUD form will be given to you. You may submit only one *Request for Tenancy Approval* form at a time.

You and the landlord are required to enter into a lease agreement that complies with program requirements. A copy of the program's required lease addendum will also be given to you.

A contract between the landlord and the program also must be signed. This is called the *Housing Assistance Payments Contract*, and it guarantees the landlord that the program will pay a portion of your rent each month. The program must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of **any** member of the family, unless the program

determines that approving the unit would provide a reasonable accommodation for a family member who is a person with disabilities. This restriction against approval of a unit only applies at the time a household initially receives housing assistance for occupancy of a particular unit, but does not apply to approval of a new tenancy with continued assistance in the same unit.

Housing Search Period

Your Voucher is valid for a sixty (60) day term. This means that you and a prospective landlord must sign a Request for Tenancy Approval form before the end of this period. If you have not located suitable housing within sixty (60) days, your program representative may authorize an extension of your Voucher.

You must request an extension in writing, and submit it to your program representative at least five (5) days prior to the expiration date on your Voucher. An extension will not be granted unless you have made a sincere effort to locate suitable housing. Such efforts to locate acceptable housing must be documented, in writing, to the program representative. If you are unable to find housing within the allocated time, your Voucher will expire. If your Voucher expires, you can ask your program representative if it is possible for you to reapply. Reasonable accommodation will be made for households that include a person with disabilities.

Finding Suitable Housing

You may receive housing assistance in your present housing if:

- Your housing meets the program's housing quality standards;
- Your landlord is willing to participate in the program; and
- Your housing unit is large enough for a household of your size.

Generally, the dwelling unit must contain at least one (1) bedroom or living/sleeping room of appropriate size for every two (2) persons. Persons of opposite sex, other than husband and wife or children under the age of 7, are not required to occupy the same bedroom or living/sleeping room. Your program representative will determine if your present dwelling unit meets these requirements and will contact your landlord about completing the necessary program forms.

Relocating to New Housing

You are responsible for finding a suitable dwelling unit if your present housing does not meet program requirements or if you wish to relocate. Your program representative will assist you in your housing search by referring you to participating landlords who have vacancies. If your household includes a person with disabilities, you will be given a current listing of accessible units known to the program.

A new resource, the New Jersey Housing Resource Center (HRC), is another tool that is available to assist households who are searching for housing. The DCA partnered with the New Jersey Housing Mortgage Finance Agency to develop the HRC. The HRC is a database of affordable housing units

located throughout the state of New Jersey. Property owners with vacant units may use web based services to list their units. Program participants in housing search may use the site to locate an affordable unit. This site may be accessed at www.njhousing.gov or by selecting the link for the New Jersey Housing Resource Center on the DCA Homepage: www.state.nj.us/dca.

Another resource to check for vacancies is the local newspaper that covers the area where you wish to reside. Listings of available housing are also found on public notice boards in laundromats, grocery stores, and community centers. Real estate agencies that charge a fee for showing their listings are generally not recommended. There are, however, some rental agents who may be useful in locating rental housing. If you should decide to use the services of an agency that charges a fee to help you find housing, you will be responsible for the expense.

When you find an advertisement for a vacancy, call the telephone number listed. Questions that you should ask are:

- How much is the rent?
- Which utilities will I be responsible for?
- What is the condition of the dwelling unit?
- Are the stove and refrigerator provided?
- How many bedrooms does the dwelling unit have?
- Is the housing located close to public transportation, centers of employment, schools, and shopping?
- Are there special restrictions, such as a no pet provision?

In addition, you should write down the complete address of the dwelling unit and the name, address, and phone number of the owner or manager.

When you have obtained enough information to be sure the dwelling unit might be suitable for your household, ask for an appointment to see it. Be prompt for the appointment. If you cannot keep it, call to reschedule. Remember, the time you have to locate housing is limited and good rental housing will be rented very quickly.

Once you have reached a tentative agreement to rent housing from a landlord, it is necessary to submit a completed Request for Tenancy Approval form to your program representative. This is a required form that will be supplied to you by your program representative. It requests information about the rental unit that the program requires to make an initial determination of whether that particular unit is eligible. You and the landlord must sign and date this form before it is submitted. Submission of this form will initiate a briefing for the landlord on the benefits and requirements of the program as well as an inspection of the unit.

Your program representative will explain the Housing Choice Voucher Program to the landlord and will also arrange for the inspection of the housing. If the dwelling unit meets program requirements and the landlord agrees to participate in the program, your program representative will coordinate the necessary paperwork. These documents will then be submitted for final approval. If these documents are approved, you will receive a copy of the lease agreement, a written notice of the amount of the rent that you are required to pay, and the effective date of the housing subsidy. You should keep these papers in a safe place.

Portability of Assistance

The program continues to expand the number of landlords participating in the Housing Choice Voucher Program. The DCA's goal is to increase the number and the diversity of neighborhoods where Housing Choice Voucher Program participants can live. You are encouraged to move to a low-poverty neighborhood that offers high-quality housing, education and employment opportunities.

Your program representative will help you to identify available housing in a number of neighborhoods, and will assist you by providing directions, maps and community and neighborhood information for areas in which you are interested.

The Housing Choice Voucher Program works closely with a large number of other housing agencies in New Jersey and other states. If you and your family wish to relocate with your Voucher, the field office will help you by working with other housing agencies in areas where you wish to move.

Your family may want to receive housing assistance in another county within New Jersey or even move to another state. If you wish to make such a move, you should discuss this with your program representative. He or she will explain where you can move. You will be required to identify the community to which you are interested in moving.

If you already are receiving housing assistance, you are required to provide proper notice to your landlord and to the program in accordance with your lease agreement.

When the program receives this information, the program then will send the necessary information to the housing agency in the area to which you are relocating. You will also receive a copy. When you receive the letter, you should contact that housing agency immediately. They will inform you about how the program works in their area.

Because of the amount of work involved to transfer your Voucher from one agency to another, an interruption in your housing assistance is likely. Be sure to prepare for this by budgeting so that you can pay for rent, moving expenses and a security deposit for your new housing.

Information the Program May Provide to a Landlord

In accordance with program regulations, your prospective landlord will be given your current address and the address of your current and prior landlord, if known by the program. Participating owners will be provided with the forwarding address of their former Housing Choice Voucher Program tenants if the program has the information. Other information regarding the household will not be disclosed or released outside of HUD, except as permitted or required by law.

Discrimination in Housing

As a resident or citizen of the United States, you are entitled to equal housing opportunity regardless of race, color, creed, sex, national origin, ancestry, handicap, familial or marital status. The following constitutes discriminatory acts when the reasons are based on membership in one of the protected classes listed above:

- Refusing to rent or sell property;
- Discriminating in terms or conditions for buying or renting housing;
- Discrimination in advertising available housing; or
- Denying that housing is available for inspection, rental or sale when it actually is.

If you believe you have been discriminated against, you should complete a copy of the *Housing Discrimination Complaint* form. The form may be mailed or taken in person to the HUD regional office listed on the back of the form. You can obtain assistance in learning about the Fair Housing Act or in filing a complaint by calling the toll-free Fair Housing Enforcement Center at 1-800-496-4294.

You also are encouraged to contact the New Jersey Department of Law and Public Safety's Division on Civil Rights for assistance at the following regional offices:

Atlantic City	(609) 441-3100
Camden	(856) 614-2550
Newark	(973) 648-2700
Paterson	(973) 977-4500
Trenton	(609) 292-4605

The Franklin Tower Decision

The Franklin Tower Decision of the New Jersey Supreme Court prohibits landlords from refusing to rent to a tenant because the tenant is a participant in the Housing Choice Voucher Program.

The book, *Tenant's Rights in New Jersey*, published by Legal Services of New Jersey states the following:

“New Jersey law makes it illegal to refuse to rent to anyone solely because they will pay their rent with rental assistance or welfare. For example, it is illegal for a landlord to refuse to rent to a person because the person receives Section 8 assistance, (N.J.S.A. 2A:42-100). This applies to a tenant who obtains Section 8 while already a tenant, and to those who are seeking to rent from a landlord for the first time, (Franklin Tower-One, L.L.C. v. N.M., 157 N.J. 602-1999).”

Obligations of the Household

You must comply with specific obligations as a participant of the program. It is the head of household's obligation to know about the actions and income of all household members and to report same accurately to the DCA. These obligations are part of the program's regulations and are included in the Voucher that was issued to you. Your program representative will review them with you. Failure to comply with these obligations is grounds for denial or termination of assistance.

The household must:

1. Sign an *Authorization for the Release of Information/ Privacy Act Notice* form, supply any certification, or documentation that the DCA determines to be necessary in the administration of the program and stipulate that all information provided by the household is true and complete;
2. Disclose and verify Social Security numbers;
3. Correct a breach of the housing quality standards caused by the household;
4. Allow the program access to the dwelling unit for initial, annual and special housing quality standards inspections after reasonable notice;
5. Notify the program and the owner before the household moves out of the dwelling unit, or terminates the lease with written notice to the owner;
6. Promptly give the program a copy of any owner eviction notice;
7. Use the assisted unit solely for residence of the household members listed on the lease and as the household's sole residence (the visitation of a guest is limited to a maximum of thirty (30) days during the one (1) year certification period);
8. Notify the program in writing within ten (10) days of the birth, adoption or court awarded custody of a child. The household must request the program's advance approval to add any other household member as an occupant of the assisted unit;
9. Notify the program in writing within ten (10) days if any household member no longer resides in the assisted unit;
10. Notify the program in writing within ten (10) days of an absence from the assisted unit; and
11. Notify the program in writing within ten (10) days of any change in the household's total annual income.

The household must not:

1. Commit any serious or repeated violation of the lease;
2. Sublease, or rent the assisted unit, or any part of the assisted unit;
3. Assign the lease or transfer the assisted unit;
4. Own or have any interest in the dwelling unit, except that of a household assisted in cooperative housing, a mobile home where the household leases the pad, or a household assisted under the Homeownership option of the Housing Choice Voucher Program;
5. Commit fraud, bribery or any other corrupt or criminal act in connection with the Housing Choice Voucher Program;
6. Engage in drug-related criminal activity or violent criminal activity, or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises;
7. Abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises; and
8. Receive assistance under the Housing Choice Voucher Program while receiving a housing subsidy under any other federal, state or local housing assistance program.

Grounds for Denial or Termination of Assistance

The Housing Choice Voucher Program may deny assistance for an applicant or terminate assistance for a participant for any of the following reasons:

1. If the household violates any obligations (see 24 C.F.R. §982.551, *Obligations of participant*) under the Housing Choice Voucher Program. (See 24 C.F.R. §982.553 concerning denial or termination of assistance for crime by family members.)
2. If any member of the household has been evicted from federally assisted housing in the last five (5) years.
3. If a housing agency has ever terminated assistance under the program for any member of the household.
4. If any member of the household has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
5. If the household currently owes rent or other amounts to the program or to another housing agency in connection with Section 8 or public housing assistance under the United States Housing Act of 1937.

6. If the household has not reimbursed the program or another housing agency for amounts paid to an owner under a Housing Assistance Payments Contract for rent, damages to the unit, or other amounts owed by the household under the lease.
7. If the household breaches an agreement to pay amounts owed to the program or to another housing agency.
8. If a household participating in the Family Self-Sufficiency (FSS) Program fails to comply, without good cause, with the household's FSS Contract of Participation.
9. If the household has engaged in or threatened abusive or violent behavior toward program personnel.
10. If a welfare-to-work family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program. (where applicable)
11. If the household has been engaged in criminal activity or alcohol abuse as described in 24 C.F.R. §982.553, *Denial of admission and termination of assistance for criminals and alcohol abusers*.
12. For households admitted to the program after June 25, 2001, the DCA will terminate assistance for a household if the program determines that any member of the household is subject to a lifetime registration requirement under any state sex offender registration program. If the member subject to the lifetime registration requirement is not the head of household, the DCA will afford the head of household the opportunity to have the ineligible household member leave the household to avoid termination of participation.

If you owe monies to the program as described above, the program, at its discretion, may offer you the opportunity to enter into an agreement to reimburse the program. The program will prescribe the terms and conditions of the agreement and will deny or terminate assistance for a breach of the agreement.

Your Right to an Informal Hearing

You have the right to request an informal hearing if you disagree with the program over the following:

1. A determination of your annual or adjusted income, and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance, if any, for tenant paid utilities from the program's utility allowance schedule.
3. The determination of the number of bedrooms\unit size entered on the Voucher issued to you.

4. A determination to terminate your assistance because of your household's actions or failure to act, or for prolonged absence.

An informal hearing must be requested in writing within twenty (20) days of the decision in question. Address your request to:

Department of Community Affairs
Division of Housing and Community Resources
Hearing Coordinator
P.O. Box 051
Trenton, NJ 08625-0051

Include in your letter, your name, address, telephone number, e-mail address (if available) and the reason you are requesting an informal hearing. The hearing process will afford you with the opportunity to present evidence and witnesses in support of your position. At your own expense, a private attorney may represent you. If you cannot afford representation, check with Legal Services to find out if you qualify to be represented by one of their attorneys.

Appeals

If you are dissatisfied with the final decision issued after the informal hearing, you may have the right to appeal the decision. You will have forty-five (45) days from the date of the Hearing Officer's final decision to request a review of the decision by writing to the Hearing Officer. The Hearing Officer will evaluate the request to determine if the matter qualifies as a "contested case" to be transmitted to the Office of Administrative Law (OAL). The request must include the name, address, telephone number and e-mail address (if applicable) and the factual basis or specific reasons why you are requesting a review of the Hearing Officer's final decision. The written request must be addressed to: Division of Housing and Community Resources, Hearing Officer, PO Box 051, Trenton, NJ 08625-0051. Compliance in meeting the submission deadline is determined by the postmark on the envelope containing the request.

Once you request a review of the final decision, in accordance with the Administrative Procedures Act (N.J.S.A. §52:14B-12), the matter will be transmitted to the Office of Administrative Law (OAL) as a contested case if it meets the criteria.

An appeal to the OAL involves transmitting the case to the OAL to be heard by an Administrative Law Judge (ALJ). This process includes a formal hearing before the ALJ, who will issue an initial decision. The Commissioner of the DCA reviews the initial decision and issues a final decision, either accepting the initial decision, modifying it, or rejecting it. The initial decision and the final decision will both be sent to the participant at the address provided in the request.

Frequently Asked Questions

Do I have to pay a security deposit?

Your landlord may collect a security deposit from you in accordance with New Jersey law. If this happens, make sure you get a receipt for it. The lease agreement will identify the bank where the security deposit is being held in an interest-bearing escrow account.

If your security deposit is not sufficient to cover amounts owed under the lease for unpaid tenant rent to owner and tenant caused damages, the owner may take legal action to collect the balance from you.

How do I pay my portion of the rent?

You are responsible for paying your share of the rent, which is known as the “tenant rent to owner”, directly to your landlord. On or before the first of the month, you must pay the amount stated as the tenant rent to owner on your copy of the lease agreement or the notification letter from the program. When utility costs are not included in the rent, you will have to pay your share of the rent and the monthly utility bills for which you are responsible. Failure to pay your share of the rent, or having your utilities shut off for nonpayment, may cause you to be evicted and will jeopardize your participation in the program. The program will pay its share of the rent directly to your landlord at the beginning of each month. You are not responsible for the program's portion of the rent while the lease and contract are in effect.

When can the landlord increase the rent?

On the anniversary date of the Housing Assistance Payment Contract, the landlord is allowed to increase the rent according to applicable federal regulations or municipal ordinances. Rent increases may be approved that reflect actual increases in property taxes, utility rates, or similar costs. You must contact your program representative if you receive any notification from the landlord that a change in the rent is requested. Your program representative will advise you of the effect that a rent increase will have on your portion of the rent.

What do I have to do to stay in the program?

Comply with all the Obligations of the Household listed on the Voucher issued to you and in this booklet. At the end of each annual certification period, your occupancy under the lease and contract may be continued as long as all program requirements are satisfied.

You will receive advance written notice of the need to reexamine your eligibility and inspect your housing. Your household's eligibility for the program will be reexamined and all household income will be verified.

Your assisted housing unit will be inspected annually and it must continue to meet the federal housing quality standards.

What changes must I report to the program?

You must report, in writing, any change in the size or composition of your household to your program representative. You must send this notice within ten (10) days of the change, not receipt of the first pay. Your household's portion of the rent may either be increased or decreased to reflect a change in the size or composition of your household.

You must inform the program in writing of any change in the household's total annual income within ten (10) days. This change must be reported immediately, not when payment is received. Any change in the tenant rent to owner will only take effect after all income sources of the household are verified by the program.

What if I want to move?

You may move after the first year of the term of your lease. You must stay in your unit for one (1) year unless you have special circumstances that threaten your health or safety.

You must give advance written notice to your landlord to end your lease. Your lease will tell you how many days' notice you must give - it could be thirty (30) days or sixty (60) days. You also must send a copy of the notice to your program representative. You will lose your housing assistance if you move without giving your landlord and your program representative proper notice.

What if I have a problem with my landlord?

If you have a complaint about your tenancy, notify your landlord in writing and keep a copy for your own records. You may obtain legal advice by contacting your local Legal Services agency. Check the telephone directory for the Legal Services office nearest you.

The Office of Landlord/Tenant Information at the New Jersey Department of Community Affairs is another resource for information. They may be contacted by calling (609)292-4174 or by writing to the Office of Landlord/Tenant Information, P.O. Box 805, Trenton, New Jersey 08625.

Your program representative should be advised if the problem remains unresolved. Under no circumstances should you withhold your portion of the rent without notifying your program representative.

Am I responsible for damage to the property?

You are responsible for maintaining your housing in good condition. Tenants, or their guests, who willfully or through neglect cause damages to an assisted unit may be determined ineligible for continued program participation.

Additionally, a tenant who willfully causes damage to an assisted unit may be terminated from the program.

What if my landlord wants to evict me?

A landlord may recover possession of rental housing by consent of the tenant, or through the legal process of eviction. A “self-help” eviction (entry into a dwelling unit and removal of tenants without their permission or without a judgment from a court) is an unlawful act in New Jersey.

A landlord may evict a tenant if the landlord can prove in court that one of the good causes listed in the New Jersey Anti-Eviction Act has occurred. A program participant, whose landlord has just cause for eviction, may be denied continued program eligibility.

What is the Unit-Based Assistance Program?

DCA also administers two Section 8 unit-based programs:

- The Project-Based Certificate Program; and
- The Moderate Rehabilitation Program.

The unit-based programs are similar to the Housing Choice Voucher Program except the subsidy is tied to the building rather than the household. This means that a participant in one of the unit-based programs cannot transfer their housing assistance to another unit. Once the household is assisted, they will generally pay 30 percent of their adjusted monthly income towards the rent and utilities as do program participants in the Housing Choice Voucher Program.

The owner of the rental property has the final say on who lives in the unit. If a household decides to move, they may not take their housing assistance with them. All of the obligations for households in the Housing Choice Voucher Program apply to the participants in the unit-based housing programs. Your program representative will give you more specific information if you are interested in participating in these programs.

Additional Information

You also will be given the following items:

- Two HUD booklets: *A Good Place to Live!* and *Protect Your Family From Lead in Your Home*
- The program’s current utility allowance schedule
- The HUD required lease addendum
- Information regarding the Family Self-Sufficiency Program
- Information regarding the Homeownership Program
- The Request for Tenancy Approval form
- Housing Discrimination Complaint form

**State of New Jersey
Department of Community Affairs
Division of Housing and Community Resources**

Limited English Proficiency Policy

Overview

On August 11, 2000, Executive Order 13166 was issued titled “Improving Access to Services by Persons with Limited English Proficiency.” This Order requires federal agencies to assess and address the needs of eligible persons seeking access to federal programs that because of their limited English cannot fully and equally participate in or benefit from those programs or activities. On December 19, 2003, the U. S. Department of Housing and Urban Development (HUD) published guidance designed to assist housing authorities to comply with Title VI of the Civil Rights Act of 1964 and implementing regulations. It prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal assistance. On January 22, 2007, HUD published final guidance to federal financial assistance recipients regarding the Title VI prohibition against national origin discrimination affecting limited English proficient persons.

While most people in the United States speak, write and understand English, there is a growing population where English is not their primary language. Those individuals having a limited ability to read speak or understand English are considered to be limited English proficient (LEP). Language limitations can be a barrier to accessing important benefits or services including understanding information relevant to the Housing Choice Voucher Program and other programs administered by the Department of Community Affairs, Division of Housing and Community Resources (DCA).

The DCA, as a recipient of federal assistance, is required to take reasonable steps to ensure access to all programs, and has an obligation to reduce language barriers that preclude meaningful access by LEP persons to government services and programs. LEP persons are defined as persons who do not speak English as their primary language and who have limited ability to read, write, speak or understand English. All Housing Choice Voucher Program applicants and participants, or their authorized representative(s), who have a limited proficiency with the English language may benefit from these services.

When a Housing Choice Voucher Program waiting list is opened, a public notice is published in the local newspaper having the largest circulation in that particular county. Based on the latest census information and current program participant demographics, the program may also place a public notice in a Spanish language newspaper where a large Hispanic population resides. The program’s Applicant Services Unit monitors the responses. This enables the program to measure the effectiveness of the advertisement in an attempt to reach the Hispanic population, and to justify the additional expense. If the application is not advertised in Spanish or other languages, the English application includes a question regarding LEP and asks the applicant to specify their primary language if other than English. This will alert the field offices to the potential need for interpreters.

In accordance with the HUD regulations, the DCA will balance four factors in determining the level of access needed by LEP persons who speak a particular language:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher Program and other relevant programs;
2. The frequency with which LEP persons contact the program;
3. The nature and importance of the activity or services provided by the program; and
4. The resources available to the DCA and the cost to provide these services.

Balancing these four factors will ensure meaningful access by LEP persons to critical services, while not imposing undue burdens on the DCA.

Bilingual Staff

The program has bilingual staff and field representatives (most are fluent in Spanish) in many of the field offices throughout the state. If a LEP person goes to a field office several options are available. The field office support staff has been trained to assist a person in need of language assistance. If the staff is unable to communicate with this person, each office has “I Speak” flash cards so that customers can identify the language they speak. Once identified, the field office staff will utilize the Language Line phone service to assist walk-in clients. Use of the Language Line will enable the offices to provide assistance to clients in over 175 languages.

Additionally, the program maintains a directory of DCA personnel who speak a variety of languages which could also be utilized and is a valuable resource for the field office and Customer Service staff.

Staff Training

Since all field office staff could have contact with program applicants and participants who have limited English proficiency, all staff will receive training. The training will include:

- A discussion of the plan
- How to respond to LEP callers
- How to respond to LEP clients who contact our offices in person
- How to use the “I Speak” cards
- How to utilize the Language Line Service
- The location of translated documents

Additionally, each field office will be given a Limited English Proficiency manual to follow when a LEP client comes to a field office. Also, each field office has a poster on display in the waiting room to inform the public that interpreter services are available to them if they do not speak English. The poster says “You have the right to an interpreter at no cost to you. Please point to your language. An interpreter will be called. Please wait.” This statement appears in thirty languages.

New employees will receive an overview as part of their initial training to familiarize them with the procedures. Staff with large caseloads of LEP clients will receive additional guidance that will address how to work effectively with interpreters.

Written Translation

All vital documents (as deemed necessary by HUD) shall be translated into Spanish, and DCA will provide oral translation where reasonable for LEP clients. The DCA will be initially translating documents into Spanish as this is our highest LEP client base, and other languages as warranted. This list will be updated over time. The following is a list of vital documents required by HUD, and HUD will provide translations for these documents:

- Voucher
- Authorization to Release Information
- Model Lease
- Housing Choice Voucher Contract - Part A and Part B
- How your Rent is Determined
- Request for Tenancy Approval
- Tenancy Addendum
- FSS Escrow Account Worksheet
- Statement of Homeownership Obligations
- FSS Contract
- A Good Place to Live

HUD has translated the Model Lease into 8 languages and the other documents into 12 languages.

The following is a list of additional forms and documents that the DCA has translated into Spanish through the HAPPY Software system, HUD Web sites, or by the DCA's bilingual staff.

- Public Notice to open a waiting list
- Application for Housing Assistance
- Denial of Placement on the Waiting List
- Waiting List Notification Letter
- Citizenship Declaration
- Tenant Information Form
- Rent Reasonableness Survey
- Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
- Request for Taxpayer Identification Number (IRS Form W-9)
- Housing Discrimination Complaint Form
- Protect Your Family from Lead in the Home (EPA Booklet)
- Protect Your Children from Lead (11 x 17 poster for mounting in field offices)
- Interpreter Services Availability (11 x 17 poster for mounting in field offices)
- Reexamination Letter

- Owner Signature Amendment
- Violence Against Women Fact Sheet

All of the listed documents are available for public review.

Please note that in accordance with HUD directives, a translated document is not the official document. The English version of all documents is the official controlling document.

Notice of Rights to Language Assistance

A multilingual poster has been placed in the common area of each field office to inform the public that the DCA provides free interpretation services.

Monitoring and Updating the LEP Plan

The DCA will review its LEP Plan annually when it updates its Administrative Plan to determine the current effectiveness and any changes in LEP populations or needs. Modifications to the plan will be based on:

- Census data
- The amount of contact the program has with LEP persons
- Whether the current LEP Plan is meeting the needs of our clients
- Whether the program is meeting its goals relevant to the LEP regulations
- A review of sources of assistance to determine if resources are still available and viable

Guidelines for Interpreters

The DCA has a bilingual (Spanish) Hearing Officer who conducts hearings for participants who are in danger of being terminated from the program for having violated the rules and regulations of the program. It is estimated that 20 percent of the hearing requests received are from Spanish speaking clients. The Hearing Officer has a thorough understanding of the program regulations and therefore is qualified to represent the program as a neutral and impartial party.

Formal procedures and guidelines will be enacted when a vendor is selected to do on site interpretations. All language interpreters and translators will be held to a Code of Professional Conduct which will include but is not limited to:

1. **Accuracy.** Interpreters/translators shall thoroughly and faithfully render the source language message, omitting or adding nothing, giving consideration to linguistic variations in both source and target languages, conserving the tone and spirit of the source language message.
2. **Cultural Sensitivity and Courtesy.** Interpreters/translators shall be culturally competent, sensitive, and respectful of the individuals they serve.

3. **Confidentiality.** Interpreters/translators shall not divulge any information obtained through their assignments, including but not limited to, information gained through access to documents or other written materials.
4. **Disclosure.** Interpreters/translators shall not publicly discuss, report, or offer an opinion concerning matters in which they are or have been engaged, even when the information is not privileged by law to be confidential.
5. **Proficiency.** Interpreters/translators shall meet the minimum proficiency requirements set by the DCA and the industry standards.
6. **Compensation.** The fee schedule agreed to between the contracted language services providers and the program shall be the maximum compensation accepted. Interpreters/translators shall not accept additional money, consideration, or favors for services reimbursed by the program. Interpreters/translators shall not use for private or others gain or advantage, the program's time or facilities, equipment or supplies, nor shall they use or attempt to use their position to secure privileges or exemptions.
7. **Non-discrimination.** Interpreters/translators shall always be neutral, impartial and unbiased. Interpreters/translators shall not discriminate on the basis of gender, disability, race, color, national origin, age, socio-economic or educational status, or religious, political or sexual orientation. If interpreters/translators are unable to ethically perform in a given situation, the interpreters/translators shall refuse or withdraw from the assignment without threat or retaliation.
8. **Self-evaluation.** Interpreters/translators shall accurately and completely represent their certifications, training and experience.
9. **Impartiality - Conflict of Interest.** Interpreters/translators shall disclose any real or perceived conflict of interest that would affect their objectivity in the delivery of service. Providing interpreter/translation services for family members or friends is the client's option, however, it is not recommended as it may violate the individual's right to confidentiality and constitutes a conflict of interest.
10. **Scope of Practice.** Interpreters/translators shall not counsel, refer, give advice, or express personal opinions to individuals for whom they are interpreting/translating or engage in any other activities that may be construed to constitute a service other than interpreting/translating. Interpreters are prohibited from having unsupervised access to the clients, including but not limited to phoning clients directly, other than at the request of a DCA employee or DCA contracted service provider. Interpreters are also prohibited from marketing their interpreter services to clients, including but not limited to arranging services or appointments for clients in order to create business for themselves. Additionally, interpreters shall not transport clients to any DCA business.
11. **Reporting Obstacles to Practice.** Interpreters/translators shall assess at all times their ability to interpret/translate. Should interpreters/translators have any reservations about their competency, they must immediately notify the parties and offer to withdraw without threat of retaliation. Interpreters/translators may remain until more appropriate interpreters/translators can be secured.

12. **Ethical Violations.** Interpreters/translators shall immediately withdraw from encounters they perceive as violations of this Code. Any violation of the Code of Professional Conduct may cause termination of the contract and or prohibition from serving DCA clients.

13. **Professional Development.** Interpreters/translators shall develop their skills and knowledge through professional training, continuing education, and interaction with colleagues, and specialists in related fields.

This Code applies to all persons providing language interpreting or translation services and must be complied with at all times.