

CDBG-CV
**RENTAL AND MORTGAGE
ASSISTANCE PROGRAM**

Program Policies & Procedures

TABLE OF CONTENTS:

1. **Introduction**
 - Purpose and Use
 - Primary Objective
 - Secondary Objective
2. **Definitions**
 - AMI
 - CASE MANAGER
 - CDBG
 - Contract Rent
 - THS
 - Family Obligations
 - FMR
 - HAP
 - HCV
 - HOME
 - HQS
 - Mortgage
 - Payment Standard
 - Rent
 - TANF
 - TBRA
 - TTP
3. **Eligible Beneficiaries**
 - Renters
 - Homeowners
4. **Income Limits**
5. **Eligible Units**
 - CDBG assistance
 - HUD: HQS
 - Privately or Publicly Owned
6. **Prohibition Against Duplicative Rental Assistance**
7. **Ineligible Uses of CDBG-CV Assistance**
 - Make Commitments
 - Assist residents, owners
 - Pay cost overruns -Double Subsidy
 - Prevent Displacement
 - Assistant Occupants
8. **Determining Income**
9. **Residency Requirement**
10. **Length of Stay**
11. **Payment Standards**
12. **Security Deposits**
13. **Pet Rent/Deposits**
14. **Service Animals**
15. **Utility Deposits**
16. **Utilities**
17. **Household Identifications**
18. **Contract Limitations/Period of Eligibility**
19. **Re-Certification**
 - Increase in family income

- Decrease in family income
- 20. Occupancy Standards**
- 21. Waiting List Administration**
- 22. Tenant Selection**
- 23. Rental/Mortgage Assistance Calculations**
 - Calculations
 - Minimum Tenant Rent
- 24. Utility Allowance**
- 25. Unit/Lease Approval**
- 26. Contract/Lease Execution**
- 27. Eligibility and Income Calculations**
 - Third Party Verifications
 - Review of Documents
 - Personal or Self-Certification
- 28. Execution of Housing Assistance Payment Contract (HAP), Lease, and Lease Addendum**
- 29. On-Going THS Program Responsibilities**
- 30. Lease Enforcement and Termination of Tenancy**
- 31. Term of Housing Assistance Payment Contract**
- 32. Non-Eligibility Requirements for Units**
- 33. Termination of Rental Assistance**
- 34. Eviction**
- 35. Due Process**
 - HUD Requirement for Due Process
 - Formal Hearings
 - Informal Hearing
 - Termination from Assistance Without Hearing or Due Process
- 36. Participant and Moving**
- 37. Program Monitoring and Evaluation**
- 38. Live-In Aide Requirements**
 - Definition of Live- in aide
 - Essential Care
 - Relatives as Live- In aides
- 39. Ongoing Program Administration**
 - Unit Inspections
 - Interim Eligibility Determinations
- 40. Family Break-up – Divorce or Death**
- 41. Absence from the Unit**
- 42. Guests and Visitors to the Unit**

1. Introduction

The CDBG-CV Rental and Mortgage Assistance Program is a Fair Housing and Equal Opportunity Program. The Tempe Department of Human Services (THS), Housing Division does not discriminate on the basis of race, color, national origin, sex, sexual orientation, religion, age, or disability in employment or services.

a. Purpose and Use

The attached program guidelines have been developed to facilitate the efficient and effective operation of the CDBG-CV Rental and Mortgage Assistance Program (CDBG-CV) for THS. The CDBG-CV program will be administered by THS Housing Division. Funding for this CDBG-CV is provided under Title I of the Housing and Community Development Act (1974), Public Law 93-383, as amended; CDBG-CV grants are subject to the Coronavirus Aid, Relief and Economic Security Act (CARES Act), through the Community Development Block Grant (CDBG) under regulations and policies established by the Tempe Human Services Department (THS) in conjunction with the United States Department of Housing and Urban Development (HUD). THS has set-aside a portion of its CDBG-CV allocation to provide Rental and Mortgage assistance to a targeted group of families and individuals to prevent homelessness, through no fault of their own, who have been financially impacted by the COVID-19 pandemic.

b. Primary Objective

The primary objective of the CDBG-CV programs is to respond to the financial impact this pandemic has had on families and prevent the spread of the coronavirus, by allowing families to remain housed. This program allows individuals/families to remain in the housing unit that served as their primary residence at the time that they were financially impacted by COVID-19. The CDBG National Objective being met by this program is Low/Mod Limited Clientele (LMC). As such, eligible families/individuals must have income that is at or below 80% of the Annual Median Income for the jurisdiction.

c. Secondary Objective

The secondary objective of the CDBG-CV programs is to prevent evictions and repossessions of households financially impacted by COVID-19 in the city of Tempe, Arizona. This program allows individuals/families who experienced a loss of employment income and/or increase in household expenses, as a direct result of COVID-19, to remain in the housing unit that served as their primary residence at the time that they were financially impacted by COVID-19. The CDBG Activity for this Program is Subsistence Payments (05Q). As such, all payments **must** be remitted to either the landlord or financial institution which holds the loan.

2. Definitions

- a. **AMI:** Annual Median Incomes are income guidelines provided by the Department of Housing and Urban Development (HUD) prepared annually for all the Counties and metropolitan areas in the US. Income limits include Extremely Low-Income limits at 30%, Very Low Income limits at 50% and Low-Mod Income limits at 80%.
- b. **Case Manager:** A case manager coordinates various services on behalf of an individual or family that needs assistance.
- c. **CDBG:** The Community Development Block Grant (CDBG) Program provides annual grants on a

formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is commonly referred to as the CDBG Program, and is often operating in conjunction with other housing and other urban development programs, such as the HOME program.

- d. **Contract Rent:** The total rent to owner, including the tenant portion and the amount of the rental assistance. For the mortgage assistance program this will be calculated as the principal and interest portion of the household's mortgage payment.
- e. **THS:** Tempe Human Services Department is the agency that administers various housing program in the City of Tempe, Arizona.
- f. **Family Obligations:** Formal document executed between THS and all adults living in the household. This contract spells out all the obligations that THS and the participant's household will be responsible for to maintain assistance through the CDBG-CV program.
- g. **FMR:** Fair Market Rent is local market rental rate set for each county in the nation that establishes a fair market rent for all rental units by bedroom size and unit type. The FMR standard is calculated for the base rent and average cost of utilities for modest rental housing units. For the CDBG-CV program, the Fair Market Rent will be assumed to be the amount of rent being charged on the existing lease agreement between the tenant and the landlord.
- g. **HAP:** Housing Assistance Payment is a contract between a landlord and the agency providing rental assistance for a program participant. The HAP contract spells out the terms of the agreement for the landlord to receive monthly subsidy.
- h. **HCV:** The Housing Choice Voucher Program is a federally funded rental assistance program that provides "tenant-based" rental assistance, so a tenant can move from one unit of at least minimum housing quality to another. The tenant pays 30% of their adjusted gross household income toward the rent and the voucher pays the balance of the rent up to HUD's Fair Market Rent established for the area.
- i. **HOME:** The HOME Investment Partnerships Program (HOME) is a type of United States Federal assistance provided by the U.S. Department of Housing and Urban Development (HUD) to States in order to provide decent and affordable housing, particularly housing for low- and very low-income Americans. It is the largest Federal block grant to States and local governments designed exclusively to create affordable housing for low-income families, providing over US\$2 billion each year. The program is commonly referred to as the Home Investment or Home Partnership Program, and is often operating in conjunction with other housing and other urban development programs, such as the CDBG program.
- j. **HQS:** Housing Quality Standards inspection was developed by HUD to set a national minimum housing standard for many of the housing programs funded by the agency.
- k. **Mortgage Payment:** This is the principal and interest only, of a loan for the housing unit that served as the family's primary residence at the time that they were financially impacted by COVID-19. **Not included here are:** homeowner's insurance, property taxes or any additional fees.
- k. **Payment Standard:** Maximum subsidy payments by bedroom size and building type, provided by the THS. For the CDBG-CV program, the Payment Standard will be assumed to be the amount of rent being charged on the existing lease agreement between the tenant and the landlord.

- l. Rent:** The monthly amount of rent plus applicable sales tax for the housing unit that served as the family's primary residence at the time that they were financially impacted by COVID-19. **Not included here are:** utilities, renters insurance, pet rent, any additional fees. **Please note:** If utilities are included in the base rent they will be eligible for assistance. However, any utilities listed separately on the lease will not be eligible for assistance.
- m. TANF:** Temporary Assistance for Needy Families (TANF) is one of the United States of America's federal assistance programs. It began on July 1, 1997, and succeeded the Aid to Families with Dependent Children (AFDC) program, providing cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services. This cash benefit is often referred to simply as "welfare."
- n. TBRA:** Tenant-Based Rental Assistance is a form of rent subsidy that provides a program participant the ability to select a rental units of their choice in the private rental market.
- o. TTP – Total Tenant Payment.** For the purposes of the CDBG-CV, this will equal 30% of the monthly household income.

3. Eligible Beneficiaries

THS will use the CDBG-CV programs specifically to prevent homelessness as a result of pending eviction/foreclosure due to a loss of employment income and/or increase in household expenses, as a direct result of COVID-19.

The Target Population Groups include:

a. Renters;

Will be any individuals/families who experienced a loss of employment income and/or increase in household expenses, as a direct result of COVID-19, and who live or work in the City of Tempe, Arizona. Eligible families/individuals must have income that is at or below 80% of the Annual Median Income for the jurisdiction.

b. Homeowners;

Will be any individuals/families who experienced a loss of employment income and/or increase in household expenses, as a direct result of COVID-19, and who live or work in the City of Tempe, Arizona. Eligible families/individuals must have income that is at or below 80% of the Annual Median Income for the jurisdiction.

4. Income Limits

CDBG-CV is limited to households who are income eligible. 100% of CDBG-CV funds will be used to assist families who are at or below 80% of the area median income at the time they are approved for assistance. The area median income is adjusted for household size as defined by the federal Housing Choice Voucher (HCV) income guidelines.

If at any time during the assistance period, the household's portion of the contract rent (TTP) exceeds the rent to owner, the household will no longer be eligible for CDBG-CV assistance.

5. Eligible Units

- a. Tenants who receive assistance from the CDBG-CV program must remain in the housing unit that served as their primary residence at the time that they were financially impacted by COVID-19.
- b. Meets HUD Housing Quality Standards (HQS), as listed in Chapter 8 of the Housing Choice Voucher Program Administrative Plan.
- c. Is privately or publicly owned but does not receive project based rental/mortgage subsidies. CDBG-CV cannot be used in public housing or Section 8 New Construction or Substantial rehabilitation projects with Section 8 Project-based Rental Assistance, in any unit with project-based rental assistance attached to the rental unit funded by and government or private sources (such as VASH), in cooperative rental units (co-ops), or in a shared housing unit (unless all occupants of the unit are listed on the application).

6. Prohibition Against Duplicate Rental Assistance

Participating households cannot receive CDBG-CV if they are receiving rental/mortgage assistance under another Federal, state or local rental/mortgage assistance program IF the CDBG-CV subsidy would result in duplicative subsidies.

In accordance with the Section 8 Housing Choice Voucher program rule at 24 CFR 982.352 (c) (6), Housing Choice Voucher recipient's holders cannot receive CDBG-CV under the CDBG-CV Program because the two programs would provide duplicative subsidies.

Assistance received under any other rental/mortgage assistance program must be disclosed by applicants and will be factored into eligibility for the CDBG-CV program.

CDBG-CV recipients who are offered a Housing Choice Voucher must relinquish CDBG-CV assistance, if they wish to accept the Housing Choice Voucher assistance.

7. Ineligible Uses of CDBG-CV Assistance

- a. Make commitments to specific owners for specific units/projects. Tenants must be free to use the assistance in the housing unit that served as their primary residence at the time that they were financially impacted by COVID-19;
- b. Assist resident owners of cooperative housing that qualifies as home ownership housing. CDBG-CV may, however, be used by a tenant who is renting from a cooperative unit owner;
- c. Pay cost overruns, such as Double Subsidy.
- d. Prevent displacement of, or provide relocation assistance to, tenants as a result of activities other than the HOME Program.
- e. Assist occupants of any units whose rental/mortgage payments are based on income.

9. Determining Income

THS will use the HUD Technical Guide for Determining Income for the CDBG-CV Program and HUD 24

CFR Part 5, Subpart F for determining annual household income for all program participants.

10. Residency Requirement

THS requires that applicant and their household members meet the City of Tempe's Residency Requirement.

11. Length of Stay

The CDBG-CV program is designed to act as a short-term subsidy until the tenant/homeowner can secure income from another source. The CDBG-CV program may provide monthly rental/mortgage assistance for 6 months or up to \$10,000, whichever comes first. Any rental/mortgage arrears that are paid with CDBG-CV funds will count towards the \$10,000 limit, however, those months will not count towards the 6-month limit. The short-term nature of the CDBG-CV program is a CDBG requirement.

When a participant's name is called from the wait list of another subsidy source, the participant must notify the CDBG-CV Program Manager within 7 days of the receipt of the notification. All participants are required to complete the paperwork and take the necessary steps to activate the new rental assistance. Failure to notify THS that your name has been called for rental assistance or a unit is a project-based rental unit is grounds for termination for the CDBG-CV program.

12. Payment Standards

There are no payment standards for THS's CDBG-CV program. Assistance will, however, be capped at 6 months or \$10,000 per eligible family, whichever comes first.

13. Security Deposits

Since it is assumed that all participants will be leasing in place, CDBG-CV funds cannot be used for security deposits.

14. Pet Rent

HOME TRBA HPP funds cannot be used to pay pet rent. The tenant will have to use their own funds to pay pet rent.

15. Service Animals

A service animal is not considered a pet. Any applicant that has a service animal or expects to acquire one during the time they will be assisted by the CDBG-CV program will have to provide certification from a medical doctor or a psychologist that the animal is acting in the capacity of a service animal.

In most cases a landlord cannot charge a pet deposit for a service animal. The tenant is responsible for any damages done to the rental unit by the service animal.

16. Utility Deposits

Since it is assumed that all participants will be leasing in place, CDBG-CV funds cannot be used for utility deposits.

17. Utilities

CDBG-CV funds will not be used to assist with utility payments. All rental/mortgage units funded by the CDBG-CV program must have all utilities connected at all times to remain in compliance with the terms of the program. Disconnected utility service is grounds for termination of the rental/mortgage assistance.

18. Household Identifications

Every household member is required to provide two pieces of identification (both adults and children). Acceptable forms of identification include birth certificate, social security card, state issues ID, and driver's licenses. Copies of these identifications will be kept in the tenant's file. Photo ID's are required for all adult members of the household.

19. Contract Limitations/Period of Eligibility

All participants will be informed that the CDBG-CV subsidy contracts cannot exceed 6 months or \$10,000, whichever comes first.

20. Re-certification

Household members are required to report all changes in household income to THS within 10 days of the change. If this occurs, the following procedures apply:

- i. Increase in Family Income: The participant must report any increases in household income of \$50 or more per month. Also, the family must report if there is an increase due to the addition of an approved new family member with income. THS will initiate an interim recertification to adjust the rent calculation. The increase in tenant payment and subsequent decrease in assistance payment will take effect after 30 of notification to the tenant and landlord. Both the owner and participant will be notified in writing of the change in the payment structure.
- ii. Decreases in Family Income: The participant must report all decreases in household income as soon as it occurs. THS will initiate an interim recertification to adjust the rent calculation. The decrease in tenant payment and subsequent increase in assistance payment must take effect the first month following verification of the decrease. Both the owner and participant will be notified in writing of the change in the payment structure.

21. Occupancy Standards

Since it is assumed that all participants will be leasing in place, Occupancy Standards to not apply to the CDBG-CV program.

22. Waiting List Administration

The CDBG-CV program will maintain one Wait List for all interested households. Applications are available by e-mailing hs-housing@tempe.gov. Households who submit an e-mail expressing interest in the CDBG-CV program will be placed on the waiting list with the date and time of their e-mail being used as the date and time of application. All households will be placed on the waiting list in "Pending Final Review" status. THS staff will respond to emails expressing interest in the CDBG-CV program,

by e-mailing an application packet.

Application packets are accepted at any time unless THS has posted the CDBG-CV Wait List is closed. THS will post a notice that the Wait List is closed on the THS web site.

Application packets may be mailed through the US Postal Service, other postal services (FedEx, UPS) or placed in the drop box at the THS Main office located at 3500 Rural Rd, Tempe, Arizona. All applicants must; complete a written application, provide the required documentation, and be determined to meet the basic eligibility requirement for the program, in order to be pulled from the CDBG-CV Wait List.

THS will review applications and required documents and will pull them from the Wait List once the application has been determined to be complete with all the required information completed and required documentation and determined to meet the initial eligibility requirements for the program.

THS will notify applicants in writing if their application is determined to be incomplete or does not meet the initial eligibility requirements for the program. THS will also notify in writing all applicants whose applications are determined to be complete and meet all eligibility requirements for the program that their names have been pulled from the wait list.

23. Tenant Selection

To qualify for assistance an applicant must meet the following general requirements:

- a. Household income must fall at or below 80% of AMI.
- b. All household members must be U.S. citizens or have eligible immigration status.
- c. No member of the household may be subject to a lifetime registration requirement under a State sex offender registration program.
- d. No member of the household has been convicted of manufacturing or the sale of methamphetamine.
- e. No member of the household may owe a debt to a Public Housing Authority.
- f. Applicant will provide documentation that the household has experienced a decrease in household income or an increase in expenses due to COVID-19.
- g. The household shall reside or work in the City of Tempe.

THS will make two attempts to contact the participant at the time they send an initial e-mail expressing interest. THS will contact the participant by e-mail and telephone in an effort to notify interested parties.

If the interested household cannot be reached after two attempts to contact them, their name will be removed from the Wait List. THS will send an e-mail to the applicant notifying them that the applicant has been removed from the Wait List. If the Wait List is open, the client may reapply.

If an applicant feels that their name has been removed from the Wait List in error, they have the right to appeal this decision. Refer to the Appeal section of this document.

Once the applicant has returned all their eligibility documentation and they are deemed to be eligible, the participant will be e-mailed a briefing packet and directed to return requested landlord documentation to the office.

Materials to be distributed in the briefing packet include:

- Family Obligations Notice which describes the recipients, landlords and administrators' responsibilities
- CDBG-CV Request for Tenancy Approval (to be submitted by the Landlord to request unit approval)
- Lease Addendum, which notifies the landlord of the rental subsidy
- Fair housing pamphlet
- Lead-based paint brochure (HUD 1993-351-568)

Landlord materials to be distributed in the briefing packet include:

- Cover letter
- CDBG-CV Request for Tenancy Approval (to be submitted by the Landlord to request unit approval)
- RTA Supplement
- Lease Addendum, which notifies the landlord of the rental subsidy
- Landlord Certification
- Disclosure of Lead-Based Paint and Lead-Based Hazards
- W-9

**Management may, on a case by case basis allow modifications to the Tenant Selection guidelines listed above.

24. Rental/Mortgage Assistance Calculation

THS will use the current contract rent stated on the most recent signed lease or the principal and interest portion of the household's mortgage payment. The rental/mortgage assistance calculation will follow the HUD Housing Choice Voucher program except the tenant portion of the payment cannot exceed 30% of the household's income.

- a. Rental/Mortgage Assistance Calculation - the maximum subsidy amount is calculated as the difference between 30% of the household adjusted monthly income and the contract rent/principal and interest portion of the mortgage payment. The participant is responsible for paying the difference between CDBG-CV share of the rent and the total Contract Rent. This Total Tenant Payment will be paid by the Tenant directly to the landlord/mortgage holder each month.
- b. Minimum Tenant Rent – The minimum tenant payment would be 30% of the participant's total adjusted household income. In the event that the total adjusted household income is less than \$1.00 then the participant will have a zero Total Tenant Payment.

25. Utility Allowances

In order to streamline the process and to assist as many families as possible the CDBG-CV program will not use Utility Allowances when calculating rent under this program.

26. Unit/Lease Approval

It is anticipated that most applicants will need assistance with payments to landlords with leases in place. As such, there is no requirement for rent reasonableness, lease review or HQS inspections prior to initiating a contract with a tenant/landlord. Tenants and landlords will be required to certify that there are no life-threatening deficiencies prior to contract signing. The CDBG Program regulation requires that all units assisted with CDBG funds be safe, decent and sanitary. It is the requirement of the THS that that unit remain in compliance with Section 8 HQS during the term of the lease. Refer to the City of Tempe Public Housing Authority Administrative Plan (PHA Admin Plan), Chapter 8 for Housing Quality Standards. The previously mentioned chapter discusses in detail how Section 8 HQS standards are implemented by the PHA. In addition, THS shall make reasonable efforts to address any tenant-reported health and safety issues during the waiver period.

The lead-safe housing requirements of 24 CFR part 35, subpart M, made applicable to units leased by recipients of CDBG-CV by the CDBG regulation at 24 CFR 570.608, cannot be waived. Consequently, units built before 1978, in which children under the age of 6 reside, must undergo visual evaluation and paint repair in accordance with 24 CFR Part 35, subpart M.

Lead based paint inspections will occur (when required) with the following guidelines:

- Inspections of occupied units will be handled in the following order;
 1. Use of video calls between client's phone and inspector's phone, using FaceTime (Apple products)
 2. Use of video calls between client's phone and inspector's tablet using Duo for Google (Android Products)
 3. Use of video call between inspector's tablet (handled by client) and inspector's phone, using Duo for Google
- The results of each inspection must be recorded on an inspection form prescribed by THS and retained in the participant file.

Contract/Lease Execution

The Lease Agreement and Lease Addendum are executed by and between the tenant and owner. The CDBG-CV Housing Assistance Payment (HAP) Contract is executed by and between the owner and THS on behalf of the participant. Each HAP Contract will begin on the date payments begin. The CDBG-CV program may provide monthly rental/mortgage assistance for 6 months or up to \$10,000, whichever comes first. Any rental/mortgage arrears that are paid with CDBG-CV funds will count towards the \$10,000 limit, however, those months will not count towards the 6-month limit

27. Eligibility and Income Calculations

THS will use the definitions of income established in the HUD Housing Choice Voucher program at 24 CFR Part 5, which is based on gross income before deductions. Income will be verified in the following ways:

- a. Third Party Verifications: Written income verification from the tenant's employer or other income source;
- b. Review of Documents: Documents include but are not limited to benefit award letters, pay stubs, bank statements, and income tax returns.

- c. Personal or Self-Certification: This is the least preferred method but may be used if no other sources are available.

28. Execution of Housing Assistance Payment Contract, Lease, and Lease Addendum

This section only applies to participants being assisted by the rental assistance program. The CDBG-CV Program Manager and processing staff are available to discuss the program with prospective landlords to answer questions and review the rental documents and procedures for the operation of the CDBG-CV program. Once THS has verified the all landlord documents have been received and reviewed, THS will make arrangement to have the lease addendum, and the Housing Assistance Payment Contract (HAP) signed by all three parties: tenant(s), owner/property manager, and THS.

The HAP contract states that the CDBG-CV rental assistance will end if the participant is no longer eligible for the program regardless of the terms of the lease between the tenant and the landlord. The CDBG-CV rental assistance may go into effect before all above referenced documents are signed and returned to THS CDBG-CV office, however, no payments will be released until all documents are signed and returned.

29. On-Going THS Program Responsibilities

On-going THS Program responsibilities are:

- a. Monitor eligibility of participating households.
- b. Monitor HQS standards.
- c. Owners will receive prompt and accurate payments.
- d. Process interim re-certifications in a timely manner.
- f. THS will maintain a waiting list.

30. Lease Enforcement and Termination of Tenancy

THS is not a party to the tenant/landlord lease and will not be obligated to enforce or intervene in a tenant/landlord dispute. THS is not a party to the eviction process. If the household is legally evicted for cause, THS will terminate assistance to the participant.

31. Term of Housing Assistance Payment Contract

The term of the CDBG-CV Housing Assistance Payment Contract (HAP) is not tied to the lease between the tenant and landlord. The HAP contract automatically terminates after six months or at the time \$10,000 in assistance has been provided, whichever comes first. If the participant is no longer eligible for CDBG-CV program the HAP contract with the Landlord will automatically terminate. THS will no longer be required to make rental assistance payments to the landlord if the participant is no longer occupying the rental unit or if the tenant remains in the rental unit after their rental assistance has ended.

32. Non-Eligibility Requirements for Units

CDBG-CV participants may select units that are publicly or privately-owned. CDBG-CV may *not* be

provided to a family who proposes to rent a unit that receives project-based rental assistance through Federal, state or local programs, IF the CDBG-CV assistance would provide a duplicative subsidy (see 'Prohibition Against Duplicative Rental/Mortgage Assistance' above for more details).

Under certain circumstances, THS may approve an exception allowing the participant to self-select a unit owned by THS or another participating agency. (See 'Rental Units Owned by Agency Participating in the Continuum' above for more details.)

Tenant selected units must meet housing quality standards, and therefore require each family to have exclusive use of the kitchen and bathroom(s). Therefore, SRO's and shared housing are NOT acceptable on the CDBG-CV program. An efficiency apartment or studio, which has a kitchen and separate bathroom, is acceptable. **Please note:** Shared housing may be eligible, if all occupants apply for assistance.

Landlords cannot be related to the participant or any other member of the household. This includes parent, grandparent, aunt, uncle or blood relative. Exceptions to this rule may be granted on a case-by-case basis where the tenant has very special housing needs and the only way to accommodate these needs is through a family member or relative providing the rental unit. This process must be fully disclosed to the CDBG-CV Program Manager for review and approval. The applicant must present the request in writing explaining the situation.

33. Termination of Rental/Mortgage Assistance

Assistance may be terminated if:

- a. The participant no longer qualifies, based on income eligibility, for assistance at an interim re-certification.
- b. The household assistance contract expires. Continuation of rental assistance can be considered on an individual basis provided THS is currently operating a CDBG-CV program and has funding to continue rental assistance.
- c. THS determines that the CDBG-CV assistance has been obtained fraudulently.
- d. The household has been evicted for cause and THS determines that participant or a member of their household has violated the Family Obligations and there is no means to rectify the situation for continuation of the CDBG-CV program.
- e. The unit fails to meet HQS due to discontinuation of utility service or HQS compliance issues related to the tenant/owner damage or housekeeping issues.
- f. Failure to report a change in household composition or allowing a person(s) to reside in the unit for an extended period of time that violate the terms of the lease or Family Obligations.
- g. Conviction of drug related offenses at or away from CDBG-CV unit.

34. Eviction

A Landlord may evict a Participant household from the contracted unit only by instituting a court action. The Landlord must notify THS in writing of the commencement of procedures for termination of tenancy at the same time that the owner gives notice to the Participant pursuant to state or local law. The notice to

the THS may be given by furnishing THS with a copy of the notice that was sent to the household. *Eviction does not always equal termination of rental assistance.* Final termination of rental assistance may only be approved by THS CDBG-CV Program Manager.

The participant has the right to appeal the decision. Refer to Due Process section of this document.

35. Due Process

THS is always willing to work with program participants who are experiencing problems that threaten to disrupt their housing stability. Participants are expected to observe and abide by all the rules of the CDBG-CV program; when a participant or a member of the participants household violates one or more of these rules, THS has two levels of review it can apply, depending on the situation.

a. HUD Requirement for Due Process

HUD regulations at 24 CFR section 582.320(b) requires THS give “due process” to any participant whose rental/mortgage assistance has been terminated because of program rule violations. Due process must consist of, at a minimum, the following steps:

- i. Written notice to the participant containing a clear statement of the reason for termination;
- ii. A review of the decision, in which the participant is given the opportunity to present written or oral objection before a person other than the person (or a subordinate of the person) who made or approved the termination decision; and
- iii. A written notice of the final decision will be provided to the participant within five (5) business days.

b. Formal Hearings

Based on the above, THS has a procedure whereby a participant whose rental/mortgage assistance has been terminated can appeal the termination. The following steps are required to initiate and conduct the Appeal.

- i. The participant must submit a written request to THS CDBG-CV Program Manager requesting an Appeal of the household’s termination from assistance. Normally, the participant responds by filling out a form that is attached to or is a part of the letter sent informing the participant of the termination.
- ii. On receiving a written request for an Appeal, THS schedules the Appeal. Attendance by the THS staff person responsible for initiating the termination is mandatory. THS invites all other relevant persons, the landlord and any other persons who have first-hand knowledge or documentation of the issues involved – witnesses - to this meeting. The participant may be represented by legal counsel at his or her own expense and may bring up to two additional persons to act as witnesses.
- iii. HUD regulation requires that an impartial person preside over the Appeal. An impartial person is someone who is unfamiliar with the Participant and has no prior knowledge of the issues that lead to the termination and has no personal interest in seeing the Appeal resolved one way to another. THS has an assigned person that is the Hearing Officer for all housing programs. In the absence of the Hearing Officer, THS Director will appoint someone or will preside over the Appeal.

- iv. The Hearing Officer or the THS appointed representative will preside over the Appeal by examining all written and electronic documentation, hearing the testimony of all witnesses, and making the final decision on the Appeal. The role of the THS staff person processing the rental assistance is to facilitate the presentation of evidence and to show how he or she determined that termination was the appropriate action. The THS staff person will provide an agenda for the Appeal and make copies of relevant documents and provide access to relevant electronic records to everyone present at the Appeal meeting. Witnesses present will be called upon by the person presiding.
- v. The presiding person should attempt to render a decision while the participant is still in attendance. If this isn't feasible, the decision must be issued within five (5) business days, with a letter sent by THS to the participant documenting the Appeal decision. The Appeal decision is final.

c. Informal Hearings

- i. An informal hearing may be arranged when a participant is experiencing problems relating to their rental unit, or outside causes. Such a hearing is an informal meeting designed to clarify program rules and expected behavior, to provide information the participant may need to present in order to bring a participant into Program compliance, and to generally assist the participant in dealing effectively with any issues that may endanger his or her rental assistance. It may consist of a very informal and brief meeting with the program participant, or a meeting involving interested parties to discuss issues that immediately threaten the participant's ability to continue in the program.
- ii. An informal hearing can be requested by THS staff, the program participant, or the landlord. Any party may attend such a hearing by teleconference if they are unable to attend in person. If multiple interested parties need to attend, THS staff is responsible for ensuring all interested parties are invited to the meeting.
- iii. No formal agenda or format is required in an informal hearing. The hearing consists of informal discussion and resolution among the parties present.
- iv. Informal hearings are conducted by a THS staff person, either in person or by telephone. At a minimum, attendees should include the program participant, and any other THS staff that have been involved in processing the rental assistance. Other interested parties may be included at the discretion of the THS staff and may include the landlord or property manager and any other individuals involved as deemed appropriate by the THS staff. The participant may have legal counsel present at their own expense and may bring up to two additional representatives or advocates.
- v. All parties involved have access to all relevant written and electronic documents. The participant may examine any THS documents directly relevant to the situation and will be given copies upon request. THS staff and the participant may both present evidence and question witnesses who are present. All information presented shall be considered.
- vi. THS staff is responsible for documenting the results of an informal hearing and for notifying all parties subsequently if the situation persists and warrants a formal hearing. All such documents must be kept in the participant's program file.
- vii. While many informal hearings are informational in nature, depending on the issues involved and their severity, some require further action in the form of a decision by THS on

future actions to be taken. If a decision is required to be made on a participants' continuation in the program, THS staff will make the decision no later than five (5) business days after the hearing, and a written decision will be issued by THS staff in consultation with the THS CDBG-CV Program Manager. If feasible, the decision should be given to all participants in the hearing that same day. Documentation of the hearing must state the reasons for the hearing and the decision. Factual determinations relating to the individual circumstances of the participant shall be based on a preponderance of the evidence presented at the hearing.

- viii. The THS CDBG-CV Program Manager has the final say with respect to the outcome of the informal hearing.

d. Termination from Assistance Without Hearing or Due Process

Some actions by program participants may result in automatic termination from assistance without the need for a hearing or due process. Generally, these situations involve the participant's absence from the assisted unit, either because of long-term incarceration or because the participant has abandoned the unit voluntarily without giving notice to THS staff. In such cases, once the situation has been documented by THS, assistance will terminate automatically. However, each case will be reviewed carefully prior to automatic termination, as absence from the unit could be due to COVID-19, domestic violence or continued unforeseen domestic violence or any other cases as defined under VAWA.

36. Participant Moves

Since it is assumed that all participants will be assisted in the unit that was their primary residence at the time they applied for assistance, participants assisted with CDBG-CV funds will generally not be allowed to transfer assistance to a new unit. Should a situation beyond the participant's control occur during the assistance period, THS will consider allowing a participant to move to a new unit on a case by case basis. Should this approval be granted, the participant may move to a different unit within the City of Tempe. CDBG-CV rental assistance cannot be transferred outside of the City of Tempe. For units in the rental assistance program, THS will require that the landlord issue a release or a "Mutual" recession from the current lease with no legal damages or penalties assessed to the tenant. Once THS receives this documentation it will issue a new landlord packet to the tenant so they can look for a new rental unit. The CDBG-CV program may provide monthly rental/mortgage assistance for 6 months or up to \$10,000, whichever comes first, the amount of assistance provided in the initial unit will determine how much assistance the family/household would be eligible to receive in their new unit. For units in the mortgage assistance program, any insurance proceeds must first be used to locate a new unit, before assistance can restart.

THS may approve a tenant breaking their lease if the landlord is not maintaining the property, violating Fair Housing laws, discriminating against the tenant or a member of the household, charging the tenant for utilities or rent in a side agreement, or other good cause. THS also may approve a tenant breaking their lease if they are the victim of domestic violence, sexual assault, dating violence, stalking or any form of battery or extreme cruelty and or receiving threats from neighbors. In all these cases THS will review the matter and hold a meeting of all parties and then decide how to proceed. If all parties decide that it is in the best interest of the household to relocate, then THS will issue the tenant a new landlord packet and CDBG-CV Certificate, to secure a new rental unit.

37. Program Monitoring and Evaluation

THS will conduct periodic examination of the CDBG-CV program to ensure program compliance of policies and procedures and to ensure compliance with CDBG regulations. THS's Manager will conduct compliance monitoring and will issue reports and finding to the Director.

THS compliance monitoring reviews will be focused in the following areas;

a. Compliance with the policies set forth in this document, including but not limited to:

- i. Accuracy of calculations
- ii. Organization of participants file
- iii. Documentation and accuracy of calculating household income
- iv. Accuracy of THS billings to CDBG
- v. Accuracy of IDIS entries
- vi. Accuracy of rent payment to landlords

b. Compliance related to Landlord Documentation

- i. HQS per Chapter 8 of the Housing Choice Voucher Program Administrative Plan

c. Compliance with local, state, and federal, fair housing laws and ordinances.

- i. Investigate complaints against landlord related to discrimination, and violations of Fair Housing regulations

38. Live-In Aid Requirements

THS has adopted the following guidelines related to live-in aides.

a. Definition of Live-in Aide: HUD 24 CFR 5.403

A person who resides with one or more elderly persons or near-elderly persons or persons with disabilities and who:

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

b. Essential Care

A medical doctor, psychiatrist, or a non-medical agency that provides services to people with disabilities,

such as a Center for Independent Living will have to provide written documentation to THS that the CDBG-CV participant needs the services of a live-in aide. The recommendations should be from a professional that is familiar with the participant and have direct medical or professional experience in the areas related to the participant's disability.

The written documentation needs to be on official letterhead from the medical professional or agency making the recommendation. The documentation needs to be dated within 60 days from the date that the services of the live-in aide will be required. The documentation should also give full contact information if THS has questions concerning the recommendations.

d. Relatives as Live-In Aides

A person that was or is a member of the participant's household does not qualify as a live-in aide. If the participant wants to engage the services of a relative, THS requires that the participant certify that need.

If a participant has a family member or member of the participant's current household that wishes to provide services for the CDBG-CV participant and the family member does not meet the live-in aide requirements outlined above, this family member can be part of the household but their income will be counted as part of the household income.

40. Ongoing Program Administration

a. Housing Quality Standards (HQS) Unit Inspections

All units assisted with CDBG-CV funds must meet HQS as outlined in Chapter 8 of the Housing Choice Voucher Program Administrative Plan.

b. Interim Eligibility Determinations

Participants must notify the THS of all changes in income and family composition, within 10 days. If this occurs, the following procedures apply:

- iii. **Increase in Family Income:** The participant must report any increases in household income of \$50 or more per month. Also, the family must report if there is an increase due to the addition of an approved new family member with income. THS will initiate an interim recertification to adjust the rent calculation. The increase in tenant payment and subsequent decrease in assistance payment will take effect after 30 of notification to the tenant and landlord. Both the owner and participant will be notified in writing of the change in the payment structure.
- iv. **Decreases in Family Income:** The participant must report all decreases in household income as soon as it occurs. THS will initiate an interim recertification to adjust the rent calculation. The decrease in tenant payment and subsequent increase in assistance payment must take effect the first month following verification of the decrease. Both the owner and participant will be notified in writing of the change in the payment structure.

41. Family Breakup—Divorce or Death

- a. **When a household breaks up:** the rental assistance remains with the head of household on the family's application.

- b. **If the head of household dies:** any remaining members of the household can continue to receive assistance following the death of the eligible family member give that there is at least one adult family member remaining in the household.

42. Absence From the Unit

Participants may be absent from their units for up to 30 days for medical related care or treatment and continue to receive rental assistance. This is with the understanding and agreement of the participant that the tenant share of the rent is being paid according to the lease provisions and that no other person is allowed to stay in the unit (other than approved household members listed on the lease) without the approval of the landlord and THS.

Participants may be absent from their rental unit for up to 30 days during the contract period for vacation or to visit out of town relatives or friends. The CDBG-CV rental/mortgage unit is intended to be the primary residence of the household and extended absences may put the participant's rental/mortgage assistance in jeopardy. If the participant head-of- household or co-head of household plan on being away from the rental/mortgage unit for over 14 consecutive days, they must notify CDBG-CV office.

The sole exception to this allowance is incarceration, which causes the CDBG-CV rental/mortgage assistance to terminate automatically. Such terminations are evaluated on a case-by-case basis; very brief stays in jail for minor infractions will not be considered incarceration and will not result in immediate termination. Incarceration is defined as a jail sentence of more than 30 consecutive days.

Participants are required to notify THS if they plan to be absent from their unit for longer than 30 days. The participant must also abide by the terms of the lease related to absence from the unit.

43. Guests and Visitors to the Unit

Participants are permitted and encouraged to have guests and visitors at their unit. Participants are responsible for their guests or visitors while they are on the property and at their unit. Any problems that guests or visitors have while they are at the participant's unit or on the property will become the participant's problem.

Guests and visitors are permitted to stay overnight, but no more than 14 days during the contract period. If guest stays beyond this period, the participant will be in violation of the THS Family Obligations. Individuals can be added to the household. THS will make the final decision on adding a person(s) to the household. THS will conduct a full screening which will include criminal background checks and income verification of any person the participant wishes to add to the household. Occupancy requirements of the current unit will be taken into account, as to not cause an "over-crowding" situation. Landlord authorization is also required prior to adding the new household member.