

HUD Section 811 PRA

Owner and Property Manager Operating Manual



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HUD 811 PRA Program

Owner and Property Manager Operating Manual

1.0 DEFINITIONS

Note: For the purposes of this document the following definitions will apply:

- 1.1 Owner refers to the role of the developer, property owner(s), and property manager.
- 1.2 Applicant refers to an 811 eligible individual or household prior to their being approved by an owner to lease an 811 unit.
- 1.3 Tenant refers to an 811 eligible applicant that has been approved to lease an 811 unit. It also includes the members of the 811 household.
- 1.4 811 unit refers to the apartment unit that has the HUD 811 rental assistance attached to it.
- 1.5 Support Service Provider refers to the agency or organization that provides direct mental health or primary health services to an 811 tenant. Support Service Provider is a term that is used in this document to refer to the person or group of persons that is/are working with the applicant as they transition to new housing funded by the 811 program. The Support Service Provider may be the applicant's case manager, transition coordinator, consumer advocate, or service coordinator.
- 1.6 Grantee refers to the Department of Community Affairs (DCA) as the recipient of two HUD 811 grants.
- 1.7 Tenant Rental Assistance Certification System (TRACS): TRACS is a HUD computer system developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls in the management of tenant household and demographic data.
- 1.8 Line of Credit Control System (LOCCS): LOCCS is HUD's primary grant and subsidy disbursement system that handles disbursement and cash management for the majority of HUD grant programs. In 2001, an Internet version of LOCCS called eLOCCS was introduced allowing HUD grantees and business partners with access to their grant portfolios in order to electronically submit drawdown requests against their available portfolio balances.
- 1.1 Enterprise Income Verification (EIV): EIV provides a comprehensive on-line system for the determination and verification of various resident information and income that housing authorities use in determining rental subsidy. Additionally, EIV collects supplemental employment and benefit information through data sharing agreements with the Social Security Administration (SSA) and the Department of Health and Human Services (HHS).

- 1.2 Integrated Real Estate Management Systems (iREMS): iREMS is the official HUD source of data on multifamily housing's portfolio of insured and assisted properties. iREMS provides automated support to collect and maintain accurate data on HUD funded properties.
- 1.3 Navigate Affordable Housing Partners, Inc. (Navigate) is a HUD Contracts Administrator that DCA has hired to provide technical assistance to owners and property managers with getting connected to HUD Secure Systems so they can connect to the required HUD systems needed to operate the 811 program. Navigate will assist owners with submitting monthly billings, TRACS, EIV, and iREMS.

2.0 GENERAL OVERVIEW OF THE HUD 811 PROGRAM

- 2.1 Targets extremely low-income adults between the age of 18 and 62 with disabilities and their family.
- 2.2 Provides Project-Based Rental Assistance (PRA) attached to select Low Income Housing Tax Credit (LIHTC) properties throughout the State of Georgia.
- 2.3 Revamps the old HUD 811 program by providing community based integrated housing where households have more choice of the neighbors and communities where they live.

3.0 ROLE OF DCA

The program is operated by the Georgia Department of Community Affairs (DCA) in partnership with:

Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD) and, Georgia Department of Community Health (DCH). These three state agencies have entered into a long-term Interagency Partnership Agreement (IPA) to oversee the operations of the program for the life of the HUD 811 grant.

3.1 Coordination of Supportive Housing Component of the Program

DCA, DBHDD, and DCH are committed to providing support service to 811 households so they are successful in living happy and productive lives in the community. The 811 program is coordinated by a State Operations Committee that is made up of representatives from the three state agencies involved in the IPA. The state has also been divided into six (6) regions and each region has an 811 Regional Operations Committee that will oversee the operations of the 811 program in their region. Each committee will work with the 811 owners in their region to ensure that the program is a success and that there is a steady supply of applicants to fill vacancies when they occur.

The Regional Operations Committees will also provide mental health training to the owners and property managers. They will also supply the owners with

general information related to how to address a crisis situation related to an 811 tenant or household member. They will also be working with owners and property managers to address support services issues that might come up related to unresolved tenant issues.

Each Regional Operations Committee meets at least quarterly to discuss the implementation of the 811 program and to address any issues that owners may have related to the operations of the program. DCA's HUD 811 Program Manager coordinates the activities of each committee. Owners and property managers will be invited to each regional meeting and are encouraged to participate.

4.0 HUD 811 GRANT AWARDS

DCA was awarded two HUD 811 grants for the state of Georgia.

4.1 \$ 4,279,650 to fund 134 units for the first 5 years

4.2 \$10,174,407 to fund 350 units for the first 5 years

HUD 811 grants will be renewed annually based on federal appropriations similar to other Section 8 rental assistance programs.

5.0 QUALIFIED ALLOCATION PLAN AND BONUS POINTS IN SCORING

DCA has provided points since 2011 for tax credit applications, where if claimed by the owner and selected for funding, the owner agreed to accept project-based rental assistance targeted to special needs populations if requested by DCA at a later date. DCA has now secured over \$14 million to fund long-term project-based rental assistance at properties that were selected for funding and that took the special needs Integrated Housing points.

6.0 ROLE OF OWNER

Owners agree to work with DCA to successfully implement the 811 program at select properties by providing 811 tenants access to quality rental units.

7.0 ROLE OF PROPERTY MANAGER

Property Managers are engaged by owners to provide quality property management services that are sensitive to the needs of low income individuals and families with a disability.

8.0 ROLE OF TENANT

The tenant abides by the lease and House Rules and makes sure that the other members of the household and guests also follow the lease and House Rules and are good tenants and good neighbors.

9.0 ROLE OF SUPPORT SERVICE PROVIDER

Support service providers perform mental health and primary health services to the tenant so they can live independently and be active members of the neighborhoods and communities where they live.

The main support service providers participating in the HUD 811 program are affiliated with the Department of Behavioral Health and Developmental Disabilities (DBHDD), the Department of Community Health – Medicaid Services (DCH), and the Department of Human Services – Division of Aging Services (DHS).

10.0 COMMITTING UNITS TO THE PROGRAM

The first step in an owner's involvement in the program is when they agree to take points in the scoring process. When the property is selected for funding as a tax credit development, the owners is committing to accept project based rental assistance for a specific population.

11.0 GENERAL GUIDELINES FOR SELECTING A SUITABLE PROPERTY

DCA and our partnering state agencies select properties that have the following attributes:

- 11.1 Close to shopping and community services.
- 11.2 Easy access to mental health and primary health services.
- 11.3 Accessible property and apartment units designed for individuals with mobility, hearing, and visual impairments.
- 11.4 Energy efficient and affordable operating costs.
- 11.5 Safe and friendly neighborhood
- 11.6 Owner and property management staff willing to participate in the 811 operational policies and procedures.
- 11.7 Family properties that don't have existing use restrictions for persons with a disability.
- 11.8 Properties that have units that don't have project-based operating subsidy, such as Section 8.
- 11.9 DCA will not place more than 20% of the total units at the development under the 811 program.
- 11.10 Property does not currently have an existing use restriction for persons with disabilities
- 11.11 No more than twenty five percent of the total units in eligible multifamily properties can;
 - 11.11.1 Be provided Rental Assistance Payments; or
 - 11.11.2 Be restricted to supportive housing for persons with disabilities; or
 - 11.11.3 Have any occupancy preferences for Persons with Disabilities.

12.0 AGREEMENT TO ENTER INTO A SECTION 811 RENTAL ASSISTANCE CONTRACT (ARAC)

The ARAC is a document that is executed by the owner and DCA where the owner agrees to commit units to the HUD 811 program in the future when units become available at a designated property. For properties that took these Integrated Housing points in its Low Income Housing Tax Credit (LIHTC) application, the ARAC memorializes the owner's agreement that when units at that property become available, the owner agrees to execute a full Rental Assistance Contract (RAC) and DCA agrees to pay rental assistance payments to enable eligible tenants to occupy the units. Properties that received LIHTC prior to 2011 and/or did not apply for these points for accepting 811 applicants are also encouraged to participate in the 811 program by signing an ARAC so long as the property otherwise qualifies.

13.0 RENTAL ASSISTANCE CONTRACT (RAC)

The Rental Assistance Contract (RAC) is executed between the owner and Grantee no later than the time that DCA is notified of rental units ready to be leased by 811 tenants, or coming on line within the upcoming six (6) month period. For properties that have newly constructed/rehabilitated units coming onto the market, owners are expected to sign the RAC at least 180 days prior to the beginning of lease up. The RAC sets up a 20 year contract between the owner and Grantee with the owner agreeing to provide the rental units and the Grantee agreeing to provide the rental assistance.

14.0 USE AGREEMENT

The HUD 811 Use Agreement is a recorded land use restriction where the owner agrees to make the units described in the Rental Assistance Contract (RAC) available for not less than 30 years to the HUD 811 program and the Grantee (DCA) agrees to provide the HUD 811 rental assistance for this same time period. The Use Agreement is contingent on Congress allocating appropriate funds adequate to meet the financial needs of the assisted units. If HUD fails to commit the necessary funds, HUD will allow the Grantee (DCA) to continue to enforce or terminate the Use Agreement at the Grantee's discretion. If there are no longer any HUD funds to subsidize 811 units nor any funds from an alternative sources, DCA will terminate the Use Agreement and the RAC.

15.0 PROGRAM MANAGEMENT AFTER RAC IS EXECUTED

DCA's Office of Housing Finance and Development will coordinate all ARAC and RAC development with owners. Once a RAC is in place the ongoing management of the RAC will take place in DCA's Housing Assistance Division - Office of Homeless and Special Needs Housing. The HUD 811 Program Manager will coordinate all activities including: marketing units, referrals to fill vacancies, HUD Secure Systems, TRACS, monthly billings, tenant relations, and liaison with support service providers.

16.0 MARKETING AND OUTREACH

All marketing and outreach to identify applicants for the HUD 811 program will be done by the Department of Behavioral Health and Developmental Disabilities (DBHDD) and the Department of Community Health's (DCH) Money Follows the Person Program (MFP). DCA's HUD 811 Program Manager works very closely with DBHDD and DCH to target marketing and outreach efforts.

17.0 WAIT LIST MANAGEMENT AND REFERRALS

DBHDD and DCH are actively recruiting applicants to the 811 program and referring applicants to the HUD 811 Wait List. DBHDD and DCH pre-screen all applicants prior to referring them to the Wait List. This screening includes:

- 17.1 Basic income determination,
- 17.2 Disability verification, and
- 17.3 Criminal background history related to sex offender registry and manufacture and sales of methamphetamine on federal housing property.
- 17.4 Applicant has the necessary documents needed for the tenant screening process (i.e.; photo ID, SS card, birth certificate, income verification, etc.)
- 17.5 Applicant is ready to move

18.0 APPLICANT AND THEIR SUPPORT SERVICE PROVIDER

An applicant is an individual that meets the basic eligibility requirements for the HUD 811 program. The applicant is someone that is currently enrolled in support services either with DBHDD or DCH and the Money Follows the Person (MFP) program. All applicants referred to an 811 property are currently receiving support services.

The Support Service Provider works with the applicant as they transition to new housing funded by the 811 program. The Support Service Provider works with the applicant until they are settled in their new rental unit.

19.0 DCA PRE-SCREENING

After DCA receives a referral to the 811 Wait List, DCA orders a national criminal background report and credit report on all adults planning to live in the household. These reports will be shared with the applicant and their support service provider to allow them time to prepare for the tenant screening process once they are referred to an 811 property. DCA will also post copies of all the Tenant Selection Plans for properties with set asides of 811 units so the applicant and the support service provider can see the criteria the owner will be using to screen applicants.

20.0 CRIMINAL BACKGROUND AND CREDIT REPORTS

DCA does not use the pre-screening reports to remove applicants from the 811 wait list. The reports are used to assist the applicant in preparing for the property level tenant screening process.

21.0 DCA'S PROGRAM SELECTION PLAN

The DCA Program Selection Plan describes how DCA administers the HUD 811 program. The Program Selection Plan describes the following:

- 21.1 Applicant eligibility requirements for the program
- 21.2 How the marketing and out outreach components to the program are managed
- 21.3 How the Wait List is managed
- 21.4 How referrals are made to 811 properties
- 21.5 How DCA and our State partners work with owners to prevent evictions and retain tenants
- 21.6 Acknowledges that each 811 property will have its own Tenant Selection Plan

22.0 AFFIRMATIVE FAIR HOUSING MARKETING PLAN

HUD requires that all HUD 811 grantees develop and maintain an Affirmative Fair Housing Marketing Plan (AFHMP) for the program. DCA has developed an AFHMP (HUD Form 92243-PRA) which will be attached to the RAC as Exhibit 3 and is also available for review at the DCA HUD 811 Webpage.

23.0 CIVIL RIGHTS AND NONDISCRIMINATION REQUIREMENTS

DCA and owners must comply with all applicable fair housing and civil rights requirements in 24 C.F.R. § 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Titles II and III of the American Disabilities Act, as applicable and Section 109 of the Housing and Community Development Act of 1974. DCA and Owners must ensure the 811 program and the assisted units, respectively, are open to all eligible individuals with a disability, and their families, regardless of sexual orientation, gender identity, or marital status. For more information, see HUD's equal access rules at 24 C.F.R. §§ 5.100, 5.105(a)(2), 5.403 and HUD's final rule published in the Federal Register at 77 Fed. Reg. 5662, "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity."

DCA and owners must ensure the 811 program is readily accessible to and usable by individuals with disabilities and must grant reasonable accommodation requests in accordance with Section 504, the Fair Housing Act, and the Americans with Disabilities Act, and applicable program requirements, as applicable.

For more information, see the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodations under the Fair Housing Act, <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>. Owners shall refer to HUD Handbook 4350.3 REV-1, Chapter 2 for guidance on civil rights and nondiscrimination requirements.

24.0 PROPERTY'S TENANT SELECTION PLAN

The HUD 811 Program allows each property to maintain its own tenant selection plan. DCA encourages owners to review their tenant selection plans prior to entering into the 811 RAC to see if any provisions need to be updated to accommodate the operation of the 811 program.

25.0 MARKETING, AND TENANT SELECTION

DCA, DCH and DBHDD are responsible for developing methods for outreach, referral, marketing, and identifying applicants from the target populations, and maintaining the waiting list for 811 applicants.

26.0 SCREENING AND SELECTION

26.1 Selecting Names from the Wait list.

- 26.1.1 When a property knows that an 811 unit will be coming available for lease, the Owner will notify DCA immediately of the vacancy using the 811 Vacant Unit Notice form.
- 26.1.2 DCA will then refer the next four applicants from the top of the 811 wait list that have selected this property or region where the unit is located as a preference.
- 26.1.3 Applicants that have been referred to a property have two (2) business days to schedule an appointment with the property to complete an application.
- 26.1.4 The appointment must be completed within 7 business days of the date the Applicant was referred to the property.
- 26.1.5 The first applicant to pass the tenant screening and selection process will be approved for the 811 rental assistance. All other applicants that were referred and not selected will be referred back to DCA.
- 26.1.6 If there are no Applicants on the wait list interested in applying to the available property, then DCA will notify the owner so the unit can be leased to a non-811 tenant.

26.2 Grace-Period and Vacancy Loss. The Owner will provide a 10 business day grace-period for DCA to identify an applicant to fill a vacancy if the owner is not able to provide any advance notice of the vacancy. The grace-period starts from the date the unit is available to lease.

During the grace-period DCA will either "accept" or "pass" on the unit. If DCA passes on the unit then the unit can be leased to a non-811 applicant. If DCA "accepts" the unit then DCA will send a referral to the owner for processing. It is DCA's intention to immediately pass on the unit if there are no candidates on the wait list to refer.

If DCA “accepts” the unit, DCA is obligated to fund a vacancy loss to the owner which starts at the end of the 10 day grace period. The vacancy loss is up to 80% of the Contract Rent for up to 60 days. Owners submits the invoice to DCA for the vacancy loss through the monthly billing system for housing assistance payments.

Owners must notify the applicant and the DCA Wait List Coordinator of the outcome of screening. DCA will continue to send referrals to the owner until an applicant is selected or until the 811 Wait List is exhausted and DCA has no other applicants to refer.

DCA will pay a vacancy loss up to 60 days for applicants that have been approved for a rental unit but need extra time to get everything in place prior to moving in. An example would be a tenant that needs adaptive equipment installed in their unit prior to moving in.

27.0 VACANCY PAYMENTS

27.1 Initial Lease-Up: Refer to RAC Part II 2.4.(b), (c)

Owners must notify DCA as soon as they know a unit will become vacant. Owners must use the Vacant Unit Notice form and email the completed notice to 811Vacancy@dca.ga.gov. DCA will then have a two week grace period (10 business days) to identify an applicant to refer to the property. During this two week grace period, DCA will either accept the unit or reject it. Rejecting the unit means DCA does not have an applicant to refer to the property. The DCA Wait List and Referral Coordinator will send the owner a confirmation of the receipt of the Vacant Unit Notice and an acceptance of the unit or a rejection of the unit.

If DCA rejects the unit then the owner is free to fill the unit with a non-811 tenant. If DCA accepts the unit, then DCA will begin paying the vacancy loss after the two week grace period has expired for up to 60 days, or whenever the unit is rejected or rented to an 811 tenant, whichever occurs first. The vacancy payments will apply to any unit covered by the RAC whether it is a 50% or 60% AMI unit. The vacancy payment only covers 80% of the contract rent and does not cover the tenant’s utility allowance.

The Owner is entitled to vacancy payments that do not exceed 80 percent of the Contract Rent for up to 60 days for each vacancy as long as the Owner:

- 27.1.1 Certifies that it did not cause the vacancy by violating the lease, the RAC or any applicable law;

- 27.1.2 Notified DCA of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
- 27.1.3 Has fulfilled and continues to fulfill the terms below;
 - 27.1.3.1 Processes all referred applicants in a timely manner consistent with DCA's 811 program; and
 - 27.1.3.2 Quickly prepares vacant units to a leasable condition; and
 - 27.1.3.3 Has not rejected any applicant, except for good cause acceptable to the Grantee.
 - 27.1.3.4 Certifies that any eviction resulting in a vacancy was carried out in compliance with HUD requirements and state/local laws, including providing reasonable accommodations.

27.2 Re-Leasing a Unit:

Vacancy payments will be available on units that were occupied by an 811 tenant that exited the program prior to the expiration of their lease. The vacancy payment will cover 80% of the contract rent for up to 60 days to allow the owner to clean, make repairs, and rent the unit to another person receiving 811 subsidy. The vacancy payments will only be provided for the actual time it takes to prepare the unit to be re-leased to another 811 tenant. The owner is not eligible to collect a vacancy payment once the owner starts receiving rental income on the unit.

28.0 APPEALS

Rejected applicants may work with their Referral Agency and support service team to request an appeal to the owner rejecting their application if they feel that the owner has overlooked or misinterpreted information on the application and/or a reasonable accommodation request is required. The owner is not required to hold the unit open while the appeals process takes place. If the owner reverses their decision on rejecting the applicant as the outcome of the appeals process, then the applicant will be considered for the next opening at that property or DCA will place the applicant's name on the top of the 811 Wait List.

29.0 RENT CALCULATION

Owners must verify the amount of the household's income before the household is allowed to move into the 811 unit and re-verify household income at least annually thereafter. The amount of assistance paid on behalf of the household is calculated using the household's annual income less allowable deductions.

The Owner determines a household's income using the requirements found at 24 C.F.R. § 5.609. HUD Handbook 4350.3 REV-1, *Paragraphs 5-28, and 5-29, do not apply to the 811 PRA program.*

29.1 Owners must use HUD's Enterprise Income Verification (EIV) system as a third party source to verify tenant employment and income information during mandatory reexaminations or recertifications of household composition and income and to reduce administrative and subsidy payment errors. Owners

must obtain access to Multifamily Housing's EIV system within 90 days of signing the RAC. DCA has hired Navigate Affordable Housing Partners, Inc. to provide owners with technical assistance to gain access to HUD Secure Systems and the EIV system.

29.2 Calculating the Tenant Contribution for 811 assisted units shall be in accordance with the requirements found in HUD Handbook 4350.3 REV-1, Paragraphs 5-25, 5-26, 5- 27, and 5-30. Total Tenant Payment (TTP) is the amount a tenant is expected to contribute for rent and utilities. TTP for the 811 program is based on the family's income. Calculation of TTP is the greater of the following:

29.2.1 30% of monthly adjusted income;

29.2.2 10% of monthly gross income;

29.2.3 Welfare rent (welfare recipients in as-paid localities only); or

29.2.4 \$25 minimum rent.

29.3 What if the Household Income Increases?

A household's eligibility for 811 rental assistance payments continues until the Total Tenant Payment is equal to the total contract rent for the unit. The termination of availability at this point will not affect the household's other rights under the lease nor preclude resumption of payments as a result of later changes in income or other circumstances during the term of the RAC. When a tenant's income increase to this point, the Rental Assistance Payments will cease. The tenant has the right to remain in place in accordance with the lease. The owner will provide the next available PRA unit to the 811 program and the current tenant will have the option of remaining at the property in a non-811 funded unit. See section **40.0 Termination** for additional information concerning the termination of the 811 rental assistance.

The household may request resumption of 811 Rental Assistance, if needed in the future, if their income changes again. To be re-instated in the 811 program an eligible disabled adult household member will have to be referred back into the 811 program by an approved support service provider. DCA will put the household back on the 811 wait list and the applicant will be placed on the wait list based on the date and time of the new referral.

30.0 UTILITY ALLOWANCE

30.1 Utility Allowances:

DCA LIHTC Compliance Manual (RAC II, Exhibit 2) requires that any individual apartments occupied by residents who receive HUD assistance must use the HUD utility allowance from the local public housing authority for the jurisdiction for the area where the property is located. This requirement would apply to 811 units since 811 is HUD assistance

30.2 Tenant Rent is the portion of the TTP the tenant pays each month to the Owner for rent. Tenant Rent is calculated by subtracting the utility allowance from the TTP. It is possible for the Tenant Rent to be \$0 if the utility allowance is greater than the TTP. A utility reimbursement to the tenant must be provided if the utility allowance is greater than the TTP.

30.3 Utility Reimbursements:

Utility Reimbursements Funds, which are calculated in the Tenant Rent Calculation, will be billed by the owner to DCA along with the tenant's monthly Housing Assistance Payment. The utility reimbursement funds are for the sole purpose of making a utility reimbursement payment to the tenant. The owner is responsible for disbursing the utility reimbursement payment to the tenant or utility provider or the funds must be returned to the DCA. The Owner must provide the utility reimbursement to the tenant or utility provider within 5 business days of receipt of the payment from DCA.

31.0 ANNUAL RECERTIFICATIONS

Because a tenant's income and household composition can change over time, program requirements establish procedures for addressing these changes. Such changes are examined and implemented through the recertification process. Under program requirements, tenants have responsibilities for providing timely information about these changes. Similarly, owners have responsibilities for promptly reviewing and verifying this information and for making changes in assistance payments or tenant rent consistent with program requirements.

Additionally, when owners receive approval from DCA for changes to the gross rents for a property, there are several occupancy-related actions that owners must take. HUD Handbook 4350.3 REV-1, Chapter 7 describes these requirements and procedures.

Owners must conduct a recertification of household income and composition at least annually. Owners must then re-compute the tenants' rents and assistance payments, if applicable, based on the information gathered. Owners do not have to perform annual recertifications for individual tenants who are paying market rent. Additionally, owners must conduct interim recertifications as described in HUD Handbook 4350.3 REV-1, Chapter 7.

32.0 ANNUAL RENT INCREASES

Owners may request a rent increase on the anniversary date of the Rental Assistance Contract (RAC). The method that will be used to document the need for a rent increase is HUD's Operating Cost Adjustment Factor (OCAF). All request for rent increases must be submitted to HUD for review and approval.

Navigate will work with each owner to provide technical assistance in preparing and submitting the request for rent increases.

33.0 SECURITY DEPOSITS AND DAMAGES

At the time of the initial execution of the lease, the owner may collect a security deposit from each household in an amount equal to one month's Total Tenant Payment or \$50, whichever is greater.

HUD has modified the standard policy for collecting security deposits for the 811 program. In addition to the method for collecting the security deposit from the tenant described above, the owner may also collect additional funds up to one month's total contract rent. This additional amount may only be collected from sources other than the tenant. The most likely source will be from the support service provider(s) that is working with the 811 applicant. HUD 811 funds may not be used to pay any portion of the security deposit.

The household may pay the security deposit from its own resources and/or other public sources. The owner may collect the security deposit on an installment basis. The owner must place the security deposits in a segregated, interest-bearing account. The balance of this account must at all times be equal to the total amount collected from the household plus any accrued interest.

The owner must comply with any applicable State and local laws concerning interest payments on security deposits and return the security deposit to the family following the requirements in HUD Handbook 4350.3 REV-1, Paragraph 6-18.

Damages to the rental unit, which are over and above the amount of the security deposit, may not be billed to DCA or to HUD.

34.0 LEASE

Owners must follow the general lease requirements and leasing activities found in HUD Handbook 4350.3 REV-1, Chapter 6 and also all specific requirements relating to HUD's Model Lease as prescribed for this program.

34.1 Term of Lease: The term of the initial lease will be for not less than one year. In the case of a lease for a term of more than one year, the lease must contain a provision permitting termination on 30 days advance written notice by the tenant after the expiration of the initial lease term.

34.2 Lease Form: Owners must use the HUD Model Lease (HUD Form 92236-PRA).

35.0 LEASE AMENDMENTS AND MODIFICATIONS

HUD allows six (6) Amendments to the HUD Model Lease. DCA must review and approve all Amendments to the HUD Model Lease. The six standard Amendments that HUD allows are:

35.1 Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedure (HUD Form 50059)

35.2 Unit Inspection Report

35.3 House Rules

35.4 Pet Rules (if applicable)

35.5 Live-In Aide Addendum

35.6 Disclosure of contact information for Owner and Property Manager (Georgia Law)

Items not covered by the Model Lease can be addressed and attached as House Rules. DCA encourages owners to revise the property's House Rules to include items that are not covered in the HUD Model Lease. Owners cannot attach additional Amendments to the HUD Model lease and in no case will any House Rule supersede policy and/or regulation set out by HUD in HB 4350.3 REV-1, the Rental Assistance Contract, or the 811 Rental Assistance Demonstration Lease.

36.0 PET DEPOSITS AND OTHER CHARGES

36.1 Pet Deposits:

36.1.1 The pet rules may require tenants to pay a refundable pet deposit, but apply only to those tenants who own or keep cats or dogs in their units.

This deposit is in addition to any additional financial obligation generally imposed on tenants of the property.

36.1.2 The pet deposit must not exceed \$300 and the initial deposit cannot exceed \$50 at the time the pet is brought onto the premises.

36.1.3 The pet rules must allow for gradual accumulation of the remaining required deposit, not to exceed \$10 per month until the deposit is reached, but not prevent a tenant to pay more than \$10 per month if he or she chooses to do so.

36.1.4 Because pet rules do not apply to assistance animals needed as a reasonable accommodation for an individual with a disability, pet

deposits cannot be required for assistance animals. See HUD Handbook 4350.3 REV-1, Chapter 2, Paragraph 2-44, Section E, for additional information. c. Other Charges. As identified in HUD Handbook 4350.3 REV-1, Paragraph 6-25. F)

36.2 Late Payment of Rent:

36.2.1 Owners cannot charge late fees to the 811 tenant for late payments on 811 units.

37.0 HUD SECURE SYSTEMS

The HUD 811 program requires owners to get connected with HUD Secure Systems to be able to access TRACS and other HUD systems involved in tenant data collection and accounting and billing functions. HUD’s Online Secure Systems provide a variety of tools for owners of multifamily properties.

DCA has made connecting to HUD Secure Systems easier by providing training and technical support provided at no cost to the owners that participate in the HUD 811 program. Navigate Affordable Housing Partner’s Inc. (Navigate) will be working with all owners to get set up in HUD Secure Systems and accessing required sites that will be used in the management of the 811 program.

38.0 MONTHLY HAP BILLING CYCLE

Day of the Month	Activity
1 to 10	Owners enter tenant data into TRACS
10	Owners submit “Child” payment requests to Navigate for the upcoming month
1 to 19	Navigate works with owners to correct all TRACS and billing issues
20	Navigate combines all “Child” level invoices into one “Parent” Invoice and submits to DCA for review and approval
25	DCA submits “Parent” Invoice to HUD via eLOCCS system
29	HUD direct deposits “Parent” payment to DCA
30	DCA direct deposits “Child” payments to each owner

39.0 TRACS AND NAVIGATE AFFORDABLE HOUSING PARTNERS, INC.

HUD requires that all 811 tenant data be transmitted to HUD on a monthly basis through the TRACS system. HUD also requires that 811 owners use the Enterprise Income Verification (EIV) system to check and monitor tenant income.

DCA has hired Navigate to provide training and technical assistance related to TRACS and HUD Secures Systems. Navigate will be available to work with each owner to get them set up on TRACS, EIV, and HUD Secure Systems. Navigate will provide initial orientation to the program as well as ongoing training and technical assistance for owners to assist them with preparing and submitting their monthly tenant data and property invoices to DCA. There is no cost to the owners for this service.

Additional information about subsidy data reporting can be found in Chapter 9 of the HUD Handbook 4350.3 REV-1. This section describes the requirements for transmitting subsidy-related data to the TRACS system. The TRACS system includes tenant data, requests for payment of rental assistance, utility reimbursements, and special claims.

40.0 TERMINATIONS

Termination pursuant to the 811 program requirements and lease termination of 811 assistance payments occurs when a tenant is no longer eligible for subsidy at the assisted unit. Tenants whose assistance is terminated may remain in the unit but they must pay the market rent or other rent amount as may be required by the owners for a non-811 unit.

A tenant's refusal to participate in or accept services or a termination of service is not a basis for lease termination. Owners must also consider reasonable accommodation requests by individuals with disabilities in the eviction process.

Termination of tenancy is the first step in the eviction process. When terminating the tenancy, the owner gives the tenant notice to vacate the unit because of a lease violation(s). A tenant who fails to vacate the unit after receiving notice from the owner may face judicial action initiated by the owner to evict the tenant. Only the owner may terminate tenancy.

Owners are expected to enforce program requirements under the terms of the lease and tenants are similarly expected to comply with the program requirements established in the lease. Termination for reasons other than those permitted by HUD is prohibited. HUD Handbook 4350.3 REV-1, Chapter 8 outlines the requirements and procedures concerning both termination of assistance and termination of tenancy.

If the Owner proposes to terminate a lease, the Owner must give the tenant written notice of the proposed termination. For tenants with a disability, the notice must be provided in a form accessible to the tenant. The manner of servicing this notice must be in accordance with the provisions of state and local law.

41.0 FLOATING RENTAL UNITS

811 unit numbers may float at the property. Owners are not required to identify unit numbers or specific locations of units when signing Part 1 or Part II of the RAC.

42.0 OVER-HOUSING TENANTS

DCA does not permit overcrowding or under-utilization at initial lease up. DCA requires owners to notify them when units are over-crowded or underutilized to determine how to correct these problems after initial lease- up.

At initial occupancy, DCA will not approve a lower number of residents in a unit than allowed for occupancy by HUD Handbook 4350.3 Chapter 3-23 or another reasonable standard developed by DCA. For example, a single resident may not occupy a two-bedroom unit unless the second bedroom is required as a reasonable accommodation, e.g. for a live-in aide or medical equipment.