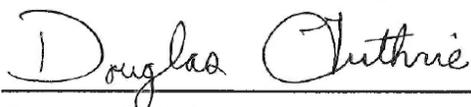


REPORT OF THE PRESIDENT AND CEO

MAY 28, 2020

RESOLUTION APPROVING REVISIONS TO THE SECTION 8 ADMINISTRATIVE PLAN TO EXPAND ELIGIBILITY FOR LOW INCOME FAMILIES WITH INCOMES UP TO 80% OF AREA MEDIAN INCOME (AMI) FOR NEWLY COMMITTED PROJECT-BASED VOUCHERS (PBV) UNITS, PROTECT NON-PUBLIC HOUSING HOUSEHOLDS LIVING ON PUBLIC HOUSING REDEVELOPMENT SITES WHOSE UNITS WILL RECEIVE PBV, AND UPDATE PBV PROVISIONS TO REFLECT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) GUIDANCE



Douglas Guthrie
President & CEO



Carlos Van Natter
Director of Section 8



Jenny Scanlin
Chief Strategic Development Officer

Purpose: These revisions to the Section 8 Administrative Plan will allow newly committed PBVs to serve "Missing Middle" households with incomes between 50% and 80% of AMI if authorized on a project-by-project basis by the Housing Authority of the City of Los Angeles ("HACLA"), in addition to serving households with incomes not exceeding 50% of AMI. The revisions also will provide for non-public housing households living at a public housing redevelopment site at the point of conversion to qualify their household size to public housing occupancy standards rather than Section 8 occupancy standards, to allow for consistency in treatment of all pre-existing tenants. The revisions also include various revisions to the PBV chapter of the Section 8 Administrative Plan to bring that chapter into compliance with HUD implementation guidance for the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and make other clarifications or corrections.

Regarding: On October 30, 2017, the U.S. Department of Housing and Urban Development issued PIH Notice 2017-21, Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA) - Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions, outlining the conditions a PHA must meet to be subject to the non-competitive exception.

On December 19, 2019, the Board of Commissioners ("BOC"), by Resolution No. 9563, authorized the revision of the Section 8 Administrative Plan to attach Project-Based Voucher (PBV) assistance to HACLA-Owned Units without following a competitive process.

Issues: "Missing Middle": PBV regulations limit the selection of occupied units for PBV to units occupied by households eligible for PBV. The regulations generally establish an income eligibility limit of 50% of AMI by family size. However, the limit can be increased to 80% of AMI where the family meets additional eligibility criteria specified in the Administrative Plan that are consistent with the PHA Plan and the

Consolidated Plan for local governments in the jurisdiction. Under the proposed revision to HACLA's Administrative Plan, the family would have to already reside in a unit that receives newly committed PBV in a project for which the HACLA authorizes this treatment. This provision is anticipated to support HACLA's Acquisition Program which may desire to qualify existing households residing in newly acquired multi-family sites for Project-based Vouchers and HACLA's option to purchase and convert older multi-family housing projects that have a combination of public housing, market and tax credit units. The application of this relatively higher income standard only applies to the initial household occupying the converting unit and is not anticipated to be the qualifying standard for new tenants. New tenants would be qualified based on the 50% income eligibility standard.

Occupancy standards: Some non-public housing households who reside on public housing sites rehabilitated through the Rental Assistance Demonstration (RAD) or other programs may receive non-RAD project-based vouchers for their units. HACLA's Administrative Plan currently provides that public housing residents whose units receive vouchers as part of redevelopment may receive such vouchers under the public housing rather than Section 8 bedroom subsidy/occupancy standards so the household is not negatively impacted by the conversion in terms of their unit sizes and bedroom counts. Other households living at these sites considering conversion are typically residing in units under tax credit occupancy standards which tend to be more generous than Section 8 occupancy standards. The purpose of the proposed Administrative Plan change is to allow those households converting to a Section 8 platform to have the same bedroom/unit standard as the RAD households so there is no perceived inequity in treatment of households on the site at the time of conversion and thereafter.

Administrative Plan updates, corrections and clarifications: The PBV chapter is being updated to be compliant with, take advantage of flexibility, or state policies, as required or allowed by the latest HUD HOTMA guidance. Additionally, corrections or clarifications relating to both HOTMA and RAD are also being updated.

Accordingly, HACLA proposes to amend Administrative Plan sections or paragraphs as indicated in Attachment 2. An explanation follows each amendment other than those solely involving renumbering.

Because the proposed Administrative Plan changes include a change to tenant/resident admissions policies, they ordinarily would constitute a "significant amendment" to the PHA Plan that in turn would require a public notice and hearing process prior to adoption. Pursuant to the authority provided under the Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136), HUD has waived and established alternative requirements for numerous statutory and regulatory requirements and has provided administrative flexibilities and relief to public housing agencies (PHAs). As part of this initiative, HUD has waived the significant amendment process requirements and established the alternative requirement that the PHA notify public housing residents and HCV families of any impacts that the significant amendment may have on them by whatever means it considers most effective as soon as practicable, clearly communicated and provided in an effective manner for persons with

communications-related disabilities. The period of availability for this waiver ends July 31.

Vision Plan: PLACE Strategy #1: Stabilize the physical and financial availability of the conventional public housing portfolio

Redeveloping or rehabilitating public housing sites through fully code-complaint new construction with contemporary amenities can vastly increase the physical life of the housing stock is consistent with Place Strategy #1 and the asset analysis in the Build HOPE Vision Plan. Conversion to a more financially stable Section 8 platform with long term contracts will allow for leveraging the necessary resources for the development and on-going maintenance and upkeep of the properties.

PLACE Strategy #3: Improve and expand Section 8 program, policies, and efficiencies

These revisions to the Section 8 Administrative Plan will allow newly committed PBVs to serve the “Missing Middle” households with incomes between 50% and 80% of AMI

Funding: This administrative action does not require funding.

Environmental Review: This action is exempt.

Section 3: This action is exempt.

Attachments:

1. Resolution
2. Administrative Plan amended sections or paragraphs

ATTACHMENT 1

RESOLUTION

RESOLUTION NO. _____

RESOLUTION APPROVING REVISIONS TO THE SECTION 8 ADMINISTRATIVE PLAN TO EXPAND ELIGIBILITY FOR LOW INCOME FAMILIES WITH INCOMES UP TO 80% OF AREA MEDIAN INCOME (AMI) FOR NEWLY COMMITTED PROJECT-BASED VOUCHERS (PBV) UNITS, PROTECT NON-PUBLIC HOUSING HOUSEHOLDS LIVING ON PUBLIC HOUSING REDEVELOPMENT SITES WHOSE UNITS WILL RECEIVE PBV, AND UPDATE PBV PROVISIONS TO REFLECT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) GUIDANCE

WHEREAS, the HACLA Section 8 Administrative Plan outlines details regarding the HACLA's use of Project-Based Vouchers (PBV) and other Section 8 vouchers to provide additional housing opportunities and to replace public housing assistance in certain public housing rehabilitation and/or redevelopment efforts; and

WHEREAS, HACLA wishes to make such changes that will (1) allow newly committed PBVs to serve households with a range of incomes up to 80% of the Area Median Income, (2) allow non-public housing households living on public housing redevelopment sites who will receive PBV or other Section 8 vouchers to be treated like former public housing households by applying public housing occupancy/bedroom size standards, and (3) make additional updates and corrections to the PBV provisions, as further explained in the Report of the President and CEO and as provided in Attachment 2 thereto; and

WHEREAS, under the authority provided under the Coronavirus Aid, Relief and Economic Security (CARES) Act (Public Law 116-136), HUD is waiving the requirement for a public notice and hearing process for a significant amendment to the PHA Plan, with an alternative requirement that the PHA notify public housing residents and housing choice voucher families of any impacts that the significant amendment may have on them by whatever means it considers most effective as soon as practicable, clearly communicated and provided in an effective manner for persons with communications-related disabilities.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the President and CEO, or designee, to revise the Section 8 Administrative Plan to make the changes to accomplish the purpose and intent of this Resolution and that are contained in Attachment 2 of the Report of the President and CEO for this resolution.

APPROVED AS TO FORM:
JAMES JOHNSON

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: _____
General Counsel

BY: _____
Chairperson

ATTACHMENT 2

ADMINISTRATIVE PLAN AMENDED SECTIONS OR PARAGRAPHS

HACLA Section 8 Administrative Plan Changes May 2020

Chapter 5

5.15 Admission Of Low Income Families – Special Eligibility Criteria

The HACLA provides tenant-based assistance to otherwise eligible low income families in the categories listed below.

1. Families who are displaced or about to be displaced due to the action of government agencies or school districts. Such families must be certified as being displaced or about to be displaced by the government agency or school district or by a local agency operating under agreement with the government agency or school district responsible for the displacement.
2. Participant families in the HOPWA program who are eligible to transition into the Section 8 tenant-based program in accordance with Section 3.2.1.3.1, *Housing Opportunities for Persons with AIDS (HOPWA) Program and HOPWA Fast Track Program*.
3. Participant families in the Continuum of Care Programs in accordance with the requirements set forth in Chapter 18, *Special Procedures for the CoC Program*, of this Administrative Plan.
4. Eligible low income families when a HUD subsidy contract ends but HUD does not provide tenant-based replacement vouchers. [See Section 3.2.2.4, *Termination of HUD Subsidies*, of this Administrative Plan.]
5. Families who are bona fide victims of declared disasters or emergencies recognized by the State or Federal government. [See Section 3.2.2.2, *Victims of Declared Disasters*, of this Administrative Plan.]
6. Participant families in the HUD-VASH program.
7. Families that are part of a coordinated effort, directed and approved by the Los Angeles Homeless Services Authority, to convert transitional housing projects to permanent housing (See Section 3.2.1.2.13, *Transitional Housing Conversion*, of this Administrative Plan).
8. [Eligible families occupying units on a PBV proposal selection date as defined in the PBV regulations or who move into such units on or before the commencement date of the PBV HAP Contract, if authorized on a project-by-project basis by the HACLA \(see Chapter 17, Project-Based Vouchers, of this Administrative Plan, and 24 CFR 983.3\).](#)

Explanation: To assist households with incomes between 50% and 80% of Area Median Income, allows such families living in newly subsidized PBV units to be assisted.

5.21.2 Screening Requirements

The HACLA will determine whether the screening requirements of the owner are appropriate in accordance with HUD regulations. The HACLA will also determine whether the owner meets all Federal, State and local requirements related to obtaining, providing, using, safeguarding and destroying criminal history information. With respect to the Jordan Downs Redevelopment site **only**, neither HACLA nor the Owner may screen any household or family with a Declaration of Right to Retain Tenancy. Households displaced by the Jordan Downs Redevelopment, whether pursuant to the RAD Program or otherwise, have the right to return to the redeveloped site. To the extent allowable by law, the HACLA will extend this prohibition of rescreening and right to return to any household or family in the same situation at other public housing redevelopment sites.

Explanation: To the extent allowable by law, extends Jordan Downs prohibition of rescreening for reoccupancy and right to return to households in the same situation at other public housing redevelopment sites.

Chapter 10

10.11 Public Housing Relocations – Subsidy Standards

Notwithstanding any other provisions of this Chapter 10, families assisted under the HACLA Public Housing Programs who are provided vouchers as a means of receiving temporary (or permanent) assisted housing due to the renovation, demolition, reconstruction, repair of public housing or conversion of assistance to long-term, project-based Section 8 rental assistance contracts, including a project in which the Housing Authority has an ownership interest or over which the PHA has control- and including the Rental Assistance Demonstration (RAD), may be issued a voucher in accordance with the bedroom subsidy/occupancy standards for Admissions and Continued Occupancy of the HACLA's Public Housing Program (MPP Chapter 201:1). Non-public housing families living at sites containing some public housing units whose units receive non-RAD PBV at the HACLA's discretion, subject to applicable program requirements, also are subject to the terms of this provision.

| Number of Bedrooms | Number of Persons Minimum | Number of Persons Maximum |
|--------------------|---------------------------|---------------------------|
| 0 | 1 | 1 |
| 1 | 1 | 2 |
| 2 | 2 | 4 |
| 3 | 4 | 6 |
| 4 | 6 | 8 |
| 5 | 8 | 12 |

Once households have utilized their tenant-based or project-based vouchers to remain in their current units, moved into Replacement Units or ~~have utilized their initial Section 8 voucher to find~~

~~a unit~~units in the private market, as applicable, they will become subject to Section 10.8.1 Subsidy Standards for New Admissions for any future moves or unit-sizing requests.

Explanation: Extends public housing occupancy standards to non-public housing families living at sites containing some Public Housing units whose units receive non-RAD PBV and makes additional clarifications.

Chapter 17

17.2 Method of Selecting PBV Owners

The HACLA may select owner proposals to provide project-based assistance in one of three ways:

1. Use of a Request For Proposals (RFP) procedure in accordance with Section ~~17.5~~17.6, *Process for Selecting Units by Means of a Request for Proposals*, below and other requirements of this Chapter, or
2. Selection of a proposal for housing assisted under a federal, state or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals, where the proposal has been selected within three years of the PBV selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. Selection must be in accordance with the provisions of this Chapter.
3. Non-competitive selection to attach PBV to HACLA-Owned Projects. Such Projects must be identified in the Housing Authority's Agency Plan ~~in Conversion of Public Housing and Project Based Voucher Statement sections. These sections outline the work the Housing Authority plans to do on the public housing property or site and state how many units it plans to project base at the property or site.~~and in this Chapter.

Explanation: Corrects a citation error in the current Administrative Plan and changes the reference to listing of potential HACLA-owned projects not to be competitively selected (the underlying text shown above includes the changes approved in December 2019).

17.5 Process for Selecting Units by Means of a Request for Proposals

17.5.1 Method of Selecting Owners

The HACLA uses a Request for Proposals (RFP) procedure to solicit owner applications in accordance with its procurement policies as determined by the HACLA General Services Department, for non-competitive selections, please refer to Section 17.2, Method of Selecting PBV Owners, of this Administrative

Plan. The RFP procedure is the same as that contained in Section 16.1, *Method for Selecting Owners - Request for Proposals Process*, of this Administrative Plan except as modified by Section 17.6.2 below. Since PBV selection is not governed by any NOFA, provisions on NOFA requirements in Section 16.1 do not apply.

Explanation: The HOTMA implementing notice (PIH 2017-21 – the Notice) requires this additional specificity describing when various selection methods will be used.

17.7 Units Selected based on Non-competitive Selection to Attach PBV to PHA-Owned Projects (former Public Housing Units)

The HACLA will add the following former public housing units in this manner:

| <u>Project</u> | <u>HACLA Role</u> | <u>PBVs added</u> | <u>Work Plan</u> |
|--|---|-------------------|--|
| a) <u>Jordan Downs Area H (New Construction)</u> | <u>Ground Lessor</u> | <u>49</u> | <u>Area H is the third project of the Jordan Downs Redevelopment. This 9% LIHTC new construction project is a 80-unit affordable residential development with a total of 49 Section 8 PBV units, 30 RAD units and 1 Manager Unit. Hard costs are projected at approximately \$360,000 per unit.</u> |
| b) <u>Jordan Downs Phase S3 (New Construction)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>48</u> | <u>S3 is the fourth project of the Jordan Downs Redevelopment. This 9% LIHTC new construction project is a 92-unit affordable residential development with a total of 48 Section 8 PBV units, 25 RAD units, 18 Tax Credit only units and 1 Manager Unit. Hard costs are projected at approximately \$430,000 per unit.</u> |
| c) <u>Jordan Downs Phase S2 (New Construction)</u> | <u>Ground Lessor/Managing General Partner of the Limited Partner Ownership</u> | <u>58</u> | <u>S2 is the fifth project of the Jordan Downs Redevelopment. This 4% LIHTC new construction project is a 81-unit affordable residential development with a total of 58 Section 8 PBV units, 22 RAD units and 1 Manager Unit. Hard costs are projected at approximately \$315,000 per unit.</u> |
| d) <u>Jordan Downs Phase H2 (New Construction)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>91</u> | <u>H2 is the sixth project of the Jordan Downs Redevelopment. This 4% LIHTC new construction project is a 195-unit affordable residential development with a total of 91 Section 8 PBV units, 23 RAD units, 41 Tax</u> |

| | | | |
|--|---|-----------|--|
| | | | <u>Credit only units, 39 unrestricted units and 1 Manager Unit. Hard costs are projected at approximately \$320,000 per unit.</u> |
| <u>e) Rose Hill Courts Phase I (New Construction)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>77</u> | <u>This project is the first phase of the Rose Hill Courts Redevelopment. This 4% LIHTC new construction project is a 89-unit affordable residential development with a total of 77 Section 8 PBV units, 11 RAD units and 1 Manager Unit. Hard costs are projected at approximately \$393,000 per unit.</u> |
| <u>f) Rose Hill Courts Phase II (New Construction)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>95</u> | <u>This project is the second phase of the Rose Hill Courts Redevelopment. This 4% LIHTC new construction project is a 96-unit affordable residential development with a total of 95 Section 8 PBV units and 1 Manager Unit. Hard costs are projected at approximately \$377,000 per unit.</u> |
| <u>g) Pueblo Del Sol Phase I (Rehabilitation)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>88</u> | <u>The mixed finance Pueblo Del Sol Phase I project is a 201-unit existing affordable residential development comprising 120 PH units and 80 Tax credit only units. It will undergo an acquisition/ resyndication/rehabilitation/RAD conversion with 4% LIHTC and Tax Exempt Bonds. 112 PH units will be converted under RAD, while 8 PH units will be converted to Section 8 under the de minimis reduction. Section 8 PBVs will be layered on up to 80 Tax Credit-only units after determining that the units are occupied by income eligible families who will not experience any increase in rents. Hard costs are projected at approximately \$75,000 per unit.</u> |
| <u>h) Pueblo Del Sol Phase II (Rehabilitation)</u> | <u>Ground Lessor/ Managing General Partner of the Limited Partner Ownership</u> | <u>63</u> | <u>The mixed finance Pueblo Del Sol Phase II project is a 176-unit existing affordable residential development comprising 122 PH units and 53 Tax credit only units. It will undergo an acquisition/ resyndication/rehabilitation/RAD</u> |

| | | | |
|--|--|--|--|
| | | | <p><u>conversion with 4% LIHTC and Tax Exempt Bonds. 112 PH units will be converted under RAD, while 10 PH units will be converted to Section 8 under the de minimis reduction. Section 8 PBVs will be layered on up to 80 Tax Credit-only units after determining that the units are occupied by income eligible families who will not experience any increase in rents. Hard costs are projected at approximately \$75,000 per unit.</u></p> |
|--|--|--|--|

PBV projects on former public housing sites are exempt from both the 20% cap on authorized voucher units assisted by PBV and the cap on PBV units per project required by 24 CFR 983.56.

Explanation: The Notice requires this information regarding former public housing projects to be selected without competition. The last sentence reiterates a HOTMA provision and modifies as required the stated applicability of PBV unit and project caps in the current Administrative Plan.

17.8 Cap on Total Number of PBVs (PBV Percentage Limitation or Program Cap)

In addition to the generally-available Program Cap of 20% of the authorized voucher units for an agency, the HACLA will designate units available for the additional 10% of voucher units made available under the PBV statute for homeless individuals and families, families with veterans, units that provide supportive housing to persons with disabilities or elderly persons, or units that are located in a census tract with a poverty rate of 20 percent or less. The HACLA will designate such units in a manner that results in maximum use of the additional 10% of voucher units for PBV and thus the maximum flexibility for the HACLA to utilize PBV. With respect to units that provide supportive housing to persons with disabilities or elderly persons, the HACLA will determine the types of services for a project’s units to qualify for the exception and the extent to which such services will be provided in the same manner as this Administrative Plan states below with respect to excepted units.

Explanation: Provides HACLA the maximum allowable flexibility to use PBVs as a percentage of its voucher units.

17.717.9 Cap on PBV Units and Excepted Units in a Project (Income-Mixing Limitation or “Project Cap”)

The HACLA does not impose any additional cap on PBV assistance other than the 25 percent per ~~building~~project cap required by 24 CFR 983.56.

The HACLA may provide assistance to all units in single-family dwellings (a building with no more than four dwelling units).

The HACLA may provide PBV assistance to excepted units (units in excess of 25 percent of the total units in a ~~multifamily building~~[project](#)) occupied by qualified families.

Excepted units are units above the 25 percent limit that have been physically described and designated in the PBV Contract to be occupied by the following qualified families:

1. Elderly families; or
- ~~2. Disabled families; or~~
- ~~3~~2. Families enrolled in the HACLA, or a HACLA-approved, FSS program; or
- ~~4~~3. Families who are receiving other supportive services defined below; and
- ~~5~~4. Families who have completed their FSS requirements or supportive services requirements but who remain in the assisted unit.

For purposes of the determining the cap on PBV units in a project, the term “project” means a single building, multiple contiguous buildings or multiple buildings on contiguous parcels of land, as the HACLA determines appropriate with respect to individual Housing Assistance Payments Contracts.

Explanation: Incorporates HOTMA changes. The last paragraph incorporates HOTMA-required definition of “project”, leaving HACLA maximum discretion to apply the definition to differing property circumstances. The Notice requires the Administrative Plan to include a definition of “project” for this purpose.

~~17.8~~17.10 **Supportive Services**

In addition to HACLA or HACLA-approved FSS programs, the following types of supportive services can meet the supportive services requirement for an excepted unit:

- Case management
- Alcohol or drug abuse services
- Mental health services
- HIV / AIDS related services
- Employment training and counseling
- Economic self-sufficiency
- ~~Post secondary~~[Post-secondary](#) educational programs
- Childcare
- Classes on parenting
- General education classes (including computer classes)
- English as a Second Language (ESL) classes
- Classes on life skills
- Obtaining & retaining government, financial & medical benefits
- Behavior assessments
- Transportation assistance and services
- Financial literacy
- Nutrition

- Family counseling
- Government & community resources
- General health care and services
- Legal services
- Leadership development

~~17.9~~17.11 Extent of Supportive Services

The supportive services may be provided directly by the owner or by independent agencies. The type of supportive services to be provided shall be indicated in the PBV Contract. In an enforceable attachment to the PBV Contract, the owner must specify the type of supportive services to be provided, the frequency with which they will be provided and, if appropriate, a time frame by which the family must complete the supportive service requirements.

The owner must provide, and a family must agree to participate in, at least 3 supportive services to meet the supportive services requirement for an excepted unit. The HACLA must approve the level of effort and frequency of service to be provided.

The owner must provide documentation of a family's continued participation in supportive services until such time as the family meets its supportive services requirement.

~~17.10~~17.12 Supportive Services Statement of Family Responsibility

If families will be provided FSS services, the family must complete an FSS Contract of Participation.

If families will be provided other than HACLA FSS services, the head of household and the owner or owner's representative must sign a supportive services statement of family responsibility that is approved and counter-signed by the HACLA.

The statement of family responsibility will indicate what supportive services will be provided to the family, which family members must participate in the supportive services and the degree and length of participation required. The family and owner will, by signing the statement of responsibility, acknowledge that failure to meet the supportive service requirements will result in termination of the family's participation in the Section 8 program.

~~17.11~~17.13 Monitoring Supportive Services

The HACLA shall monitor supportive services being provided to families under the PBV Contract and in accordance with supportive services statements of family responsibility. The HACLA shall conduct an annual audit of each family's participation in supportive services at the time of the family's annual reexamination.

The owner shall provide the HACLA with proof that the family has participated in all supportive services required by the statement of responsibility.

If supportive services are provided by agencies independent of the owner, the owner shall provide the HACLA annually, at the anniversary of the contract, documentation showing that the agency has provided the services required.

For services to be provided on the site, the HACLA shall conduct an ~~on-site~~onsite review of the services and facilities annually at the anniversary of the PBV Contract.

~~17.11.1~~17.13.1 **Owner Failure to Provide Supportive Services**

If the owner fails to meet the supportive service requirements of the PBV Contract, the HACLA shall allow the owner 60 days to reinstate the required services. If the services are not reinstated within 60 days, the HACLA shall terminate the PBV Contract for the excepted units upon 60 days' notice to the owner.

~~17.11.2~~17.13.2 **Change in Supportive Service Requirements**

The owner may negotiate with the HACLA to change the supportive service requirements of an ongoing contract through a contract amendment, but the owner must continue to meet the requirements of Section 17.10, *Extent of Supportive Services*, above.

~~17.11.3~~17.13.3 **Family's Failure to Meet Supportive Service Requirements.**

If a family residing in an excepted unit fails without good cause to fulfill its supportive services requirement, the family shall be terminated from the PBV program. The family shall receive the normal 30-day opportunity to request an informal hearing prior to any such termination.

The HACLA shall notify the owner of its intention to terminate the family at the same time it notifies the family.

If the family is terminated due to its failure to meet supportive service requirements, the family shall not be provided tenant-based assistance. Any existing application for tenant-based assistance will remain on file and will be processed in normal sequence.

~~17.12~~17.14 **Site Selection Policy and Compliance with PBV Goals**

Sites selected for PBV assistance must be consistent with the statutory goals of deconcentrating poverty and expanding housing and economic opportunities and must be consistent with the HACLA's Agency Plan.

The owner of a proposed PBV site must, therefore, establish conclusively that the site meets at least one of the following criteria:

1. The census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
2. The proposed PBV development is located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
3. The census tract in which the proposed PBV development will be located is undergoing significant revitalization. A site will meet this criteria if the census tract is located wholly or partially or is immediately adjacent to one of the following areas:
 - A Federal Empowerment Zone
 - A State of California Enterprise Zone
 - A Community Redevelopment Project, Earthquake Assistance Project or Revitalization Project designated by the Community Redevelopment Agency of the City of Los Angeles;
 - Any designated Brownfield Initiative site or Showcase Community site or successors to these designated sites;
 - Any other federal, state or locally designated areas whose purpose is to revitalize the community.
4. State, local or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement.
5. New market rate units are being developed in the same census tract in which the proposed PBV site will be located and the owner can establish the likelihood that such market rate units will positively impact the poverty rate in the area.
6. The poverty rate in the census tract in which the proposed PBV development will be located or the City Planning Area in which the PBV development will be located is less than 20 percent according to the latest Decennial Census or is less than the City-wide poverty rate as set forth in Section 2.12.2, *Areas of Poverty Concentration*, of this Administrative Plan, whichever is greater.
7. If the poverty rate in both the census tract in which the PBV development will be located and the City Planning Area in which the PBV development will be located is greater than 20 percent according to the latest Decennial Census, whether a more recent federal, state or local determination of the poverty rate shows that the poverty rate has declined over the past five years.

The owner must additionally indicate whether there are meaningful opportunities for educational and economic advancement in the census tract or any contiguous census tracts.

~~17.12.1~~17.14.1 **Additional Requirements for all PBV Housing**

The owner must certify and the HACLA must determine that 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 (see 24 CFR part 1), Title VIII of the Civil Rights Act of 1968 (see 24 CFR parts 100 through 199), Executive Order 11063 (see 24 CFR part 107), and the section 504 site selection requirements described in 24 CFR 8.4(b)(5).

Prior to signing a PBV contract, the HACLA must determine that units to be covered by the contract or contract stage have passed an HQS inspection.

~~17.12.2~~17.14.2 **Additional Requirements for Existing and Rehabilitated Housing**

For existing and rehabilitated housing the owner must establish that the proposed PBV site meets all the site and neighborhood standards of 24 CFR 983.57(d) in addition to meeting the other criteria of Section 17.13, *Site Selection Policy and Compliance with PBV Goals*.

~~17.12.3~~17.14.3 **Additional Requirements for New Construction**

For new construction the owner must establish that the proposed site meets the standards of 24 CFR 983.57(e) *New construction site and neighborhood standards* in addition to meeting the other criteria of Section 17.13, *Site Selection Policy and Compliance with PBV Goals*.

~~17.13~~17.15 **How HACLA Site Selection Policy Promotes PBV Goals**

The HACLA believes that providing PBV-assisted units under a HAP contract will almost always of itself expand housing opportunities for low income people. PBV units located in areas of higher poverty will provide families already residing in that area with decent, safe and affordable housing which may not be available in the area. Units located in areas of low poverty provide low income families affordable housing in areas more likely to promote their self-sufficiency and provide a supportive living environment.

In addition, the HACLA relies on HUD's published determinations that meeting any of the seven criteria of Section 17.13 above promotes the PBV goals of deconcentrating poverty and expanding housing and economic opportunities.

1. HUD-designated ~~Enterprise~~Enterprise Zones, Economic Community and Renewal Community Zones are eligible to share billions of dollars in tax incentives to stimulate job growth, promote economic development and create affordable housing. HUD has indicated that these goals are

consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities for thousands of Americans.

2. A reduction in the number of low-income housing units in a census lowers the poverty rate of the project area thus deconcentrating poverty. Placement of PBV units in such areas retains housing opportunities for low-income families in improving areas. HUD has indicated in its Notices of Regulatory Waivers that locating PBV assistance in an area in which there was a reduction in the number of assisted low-income housing units in the census tract was consistent with the goals of deconcentrating poverty and expanding housing and economic opportunity. See the following HUD waivers: Federal Register 3/11/2004, page 11733, column 1; Federal Register 1/12/2005, page 2239, column 2; Federal Register 11/7/2005, page 67565, column 1; Federal Register 2/17/2006, page 872, column 2.
3. HUD has indicated in its Notices of Regulatory Waiver Requests granted between 2002 and 2005 that locally designated renewal, enterprise and redevelopment and revitalization areas have goals that are consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities for thousands of Americans. Federal Empowerment Zones, California Enterprise Zones, Community Redevelopment Projects, Brownfield, Showcase Community and other revitalization projects are created to bring new business ventures to an area, revitalize decaying or stagnant economies, and encourage the construction and/or rehabilitation of housing or the provision of affordable housing. Placement of a PBV site in such areas is consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.
4. HUD has similarly noted in its Notices of Regulatory Waiver Requests granted between 2002 and 2005 that siting PBV assistance in an area in which public or private investment that contributes to the statutory goals has been or will be made meets the goals of deconcentrating poverty and expanding housing and economic opportunities. State and local government expenditures and activities that provide incentives to businesses to locate or expand in the project area provide additional economic opportunities for families at the project site. These local incentives frequently include loans, grants, financing assistance and other local assistance for families to improve existing housing. They also provide for upgrades in infrastructure that lead to economic improvement in the area. Locating PBV-assisted housing in such areas allows the residents to take advantage of emerging business and economic opportunities. See the following HUD waivers: Federal Register 10/10/2002, page 63218, columns 2 and 3; Federal Register 3/19/2003, page 54943, columns 2 and 3; Federal Register 4/27/2003, page 16917, column 2 and page 16918, column 1; Federal Register 3/11/2004, page 11733, column 3; Federal Register 11/4/2004, page 64457, column 2; Federal Register 11/7/2005, page 67565, column 3;

5. New market rent units being developed in an area and increases in the sales prices of current market rent units are indicators that an area is moving toward the statutory goal of deconcentrating poverty. Both of these indicate that the area is shifting toward a lower poverty area. Locating PBV assisted units in such upwardly mobile areas is consistent with deconcentrating poverty and expanding housing and economic opportunity by creating and retaining affordable housing in the area. See the following HUD waivers: Federal Register 8/23/2002, page 54725, column 1; Federal Register 3/11/2004, page 11732, column 3; Federal Register 2/17/2006, page 8773, column 1 and page 8775, column 2.
6. The goal of deconcentrating poverty and expanding housing and economic opportunities is similarly met in the City of Los Angeles if selected sites will be located in areas in which the poverty rate is lower than the overall poverty rate of the City of Los Angeles, or the site is located in an area in which poverty has been shown to have decreased within the last 5 years. Locating a PBV-assisted building in such areas deconcentrates poverty directly.

Meeting one of the seven specific criteria of Section 17.3 above, and the requirements of Section 17.13.1 or Section 17.13.2 will insure that project-based assistance at the proposed site is consistent with the PBV goal of deconcentrating poverty and expanding housing and economic opportunities.

~~17.14~~17.16 **HACLA Determinations for Existing and Rehabilitated Housing**

The HACLA must determine by physical inspection of the site that it is adequate in size, exposure and contour to accommodate the number and type of units proposed and that adequate utilities and streets are available to service the site.

The HACLA must determine by examining the owner's proposal, and based on its knowledge of the proposed site and area, that selection of the site will promote greater choice of housing opportunities.

The HACLA will ensure that the site will avoid an undue concentration of assisted persons in areas that contain a high proportion of low-income persons. The HACLA must, however, take into consideration that areas designated as revitalization, redevelopment, enterprise and empowerment zones as well as HUD designated Enterprise Zones, Economic Communities, or Renewal Communities will more than likely already contain a large number of low-income persons and that providing affordable housing that is decent, safe and sanitary in these areas can leverage such families out of poverty and expand housing and economic opportunities especially if the PBV site will provide supportive services.

The HACLA will ensure that the site is accessible to social, recreational, educational, commercial, and health facilities and services that are at least equivalent to those typically

found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

The HACLA will evaluate whether travel time and cost via public transportation or private automobile to places of employment providing a range of jobs for low income workers is excessive. The HACLA considers one-way travel time of one hour for public transportation and of 45 minutes for private automobile not to be excessive in the City of Los Angeles.

~~17.15~~17.17 PHA-owned Units

The HACLA must follow all program regulations for HACLA-owned housing including requirements for selection, inspection, and determination of initial and ongoing rents. See especially 24 CFR 983.59 and 983.103 in this regard.

~~17.16~~17.18 Term of PBV Contracts

The initial term of the Housing Assistance Payments (HAP) PBV master contract with the owner may be up to 20 years per PIH Notice 2017-21. The term of the contract must be subject to the future availability of sufficient appropriated funding under the HACLA's ACC.

At the HACLA's sole option and upon the request from the PBV owner within six months before the expiration of the contract, the PBV Contract may be extended, but always contingent upon the future availability of appropriated funds and the contractor's satisfactory PBV program performance, for such periods as the HACLA deems appropriate and in accordance with HUD regulations and instructions, the HACLA may agree to contract extensions of up to twenty years. HACLA may grant such a contract extension in the initial HAP contract or at any time during the contract term, provided that a maximum of one such extension may be included in the initial HAP contract (resulting in a maximum term of forty years). To grant such extensions, HACLA must determine that the extension of the contract is appropriate to achieve long-term affordability of the housing or to expand housing opportunities. In addition, extensions beyond 20 years from the end of the initial term must be made no earlier than 24 months prior to the expiration of the HAP contract and their terms may not exceed 20 years in each instance.

Authorized by PIH Notice 2017-21, Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA) — Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions Attachment. G: PBV HAP Contract: Initial Term and Extensions, dated October 30, 2017.

~~17.17~~17.19 Agreement to Enter into HAP Contract (AHAP)

For new construction or rehabilitated housing, the owner must provide HACLA with the minimum required evidence of housing completion described in 24 CFR § 983.155(b)(1). HACLA also requires that the owner submit a City of Los Angeles Certificate of Occupancy for all units covered by the AHAP as evidence of housing completion, pursuant to 24 CFR § 983.155(b)(2). At HACLA's the discretion, a Temporary Certificate of

Occupancy or other evidence that the units comply with local requirements including, but not limited to, code, fire, habitability, and zoning requirements may be submitted as evidence of housing completion. HACLA shall not enter into any PBV Contract for any rehabilitated or newly constructed units until evidence of housing completion has been received.

~~17.18~~17.20 Inspection Before a PBV Contract Is Executed or Amended

The following applies for inspection before a PBV Contract is executed or amended:

1. All units in an existing PBV building to be covered by the PBV Contract (or contract stage) must meet Housing Quality Standards.
2. All new construction or rehabilitated units must have received a Certificate of Occupancy from the City of Los Angeles and must have passed an HQS inspection.
3. All units to be added to a PBV Contract or to be substituted for units already contracted must pass an HQS inspection prior to amending the PBV Contract.

~~17.19~~17.21 Stages and Additional Units

The initial PBV Contract for a project may specify that units be placed under contract in stages provided that the total number of units to be placed in stages has been documented in the initial contract.

The HACLA and the owner may agree to add additional eligible units to ~~the original units specified in the~~ PBV Contract ~~only during the three year period following the execution date of the initial PBV Contract and only if the total number of units in the building will not exceed 25 percent of the number of dwelling units (assisted or unassisted) in the building or the 20 percent of budget authority as provided in the PBV regulations. (The addition of excepted units may require HUD approval.)~~ without competition at any time, provided that (1) the HACLA staff will provide a rationale to the Board of Commissioners for adding PBVs to a specific contract, and (2) caps on the percentage of vouchers that may be PBV units and on per-project percentage of PBV units are not violated. The annual anniversary and expiration dates for added units ~~is~~ are the anniversary ~~date~~ and expiration dates for units initially placed under ~~the PBV Contract.~~ HAP contracts.

The HACLA will not add additional units, whether excepted or not, to the number specified in the original contract except by prior written authorization of the HACLA Board of Commissioners.

Explanation: Incorporates HOTMA and Notice changes.

~~17.20~~17.22 PBV Contract Amendments to Substitute Contract Units

At the HACLA's sole discretion the PBV 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. Prior to such substitution the proposed unit must pass a HACLA HQS

inspection and a reasonable rent must be determined. The rent for the substituted unit shall be no higher than the rent for the unit removed from the PBV Contract.

Such substitution may be the result of the HACLA's termination of participation for a family that has not met program requirements but which the owner will allow to remain in the unit without PBV assistance.

~~17.21~~17.23 **Assistance to Families Upon Contract Termination by Owner**

If the owner terminates the PBV Contract because the amount of rent to the owner for any contract unit, as adjusted in accordance with 24 CFR 983.302, is reduced to an amount lower than the amount of the initial rent to the owner at the beginning of the PBV Contract, the HACLA must provide all assisted families residing in the contract units with tenant-based voucher assistance.

~~17.22~~17.24 **Housing Quality Standards**

The HACLA applies the same housing quality standards to PBV housing as to tenant-based housing. See especially Section 11.11, *Inspection Standards*, of this Administrative Plan for special HACLA HQS criteria variations.

In conducting PHA supervisory quality control HQS inspections, the HACLA must include a representative sample of PBC and PBV units. 24CFR 983.103 (e)(3)

~~17.23~~17.25 **Biennial and Other Inspections of PBV units**

The HACLA shall schedule biennial inspections in accordance with 24 CFR 983.103 for at least 20 percent of the PBV contract units in each building. The HACLA will draw its random sample of 20 percent from all units covered under the PBV Contract regardless of whether or not the unit has been recently inspected. Wherever possible, the HACLA will stagger its inspections so that the 20 percent of units will be inspected over a 3-month period to allow the owner adequate time to make repairs on the units.

If more than 20 percent of the randomly selected units fail the initial inspection, the HACLA will schedule inspections for all of the remaining 80% of units within the next three months unless a unit has already been inspected as a turnover unit and passed inspection within the last three months.

The HACLA shall inspect each PBV unit at turnover prior to authorizing approval for another family to lease the unit. The unit must pass inspection in order for the owner to receive any HAP in connection with a new lease. No payment shall be made retroactive to a passed pre-lease inspection.

The HACLA shall conduct inspections at the request of the family or the owner to insure compliance with HQS.

The HACLA may conduct additional inspections as it deems necessary to insure compliance with HQS.

~~17.24~~17.26 **Family Responsibility for HQS in the PBV Program**

Whereas in the PBC program the owner is responsible for correcting all HQS deficiencies (PBC rule 24 CR 983.204), in the PBV program, the family is required to correct any HQS deficiency caused by the family in accordance with 24 CFR 983.103(e)(2) and 982.404(b).

~~17.25~~17.27 **Inspection Requirements, Correction of Deficiencies, HACLA Remedies**

All provisions and timeframes concerning inspection and HQS requirements, correction of deficiencies and HACLA remedies provided in Chapter 11, *Owners, Contracts, Inspections, Claims*, of this Administrative Plan apply to the PBC and PBV programs unless otherwise indicated in this Chapter. If there is a discrepancy between this Chapter and Chapter 11 of the Administrative Plan, the provisions of this Chapter shall prevail.

~~17.26~~17.28 **Abatements and Terminations - PBV Contracts**

If a PBV unit has been abated more than 30 days due to a deficiency that is not the fault of the tenant, the HACLA may grant an additional extension of not more than 60 days for the owner to bring the unit into compliance. If the owner has not brought the unit into compliance within 90 days of the initial abatement, the HACLA shall terminate the failing unit from the PBV Contract upon at least 30 days' notice to the owner.

~~17.26.1~~17.28.1 **PBV Relocation and Substitution for Owner Non-compliance**

The owner must relocate the tenant family of any unit about to be terminated due to the owner's non-compliance with HQS to another unit of appropriate size covered by the PBV Contract if such a unit is available. If such a replacement unit is not available, the HACLA may authorize substitution of a unit on the premises not originally covered by the PBV Contract for the abated unit being removed from the Contract provided that unit being substituted has first passed an HQS inspection.

If a unit cannot be substituted or the family relocated within 90 days of the initial abatement, the family must be provided a tenant-based voucher and the unit is forever forfeited under the PBV Contract. The Contract shall be amended to indicate that the unit cannot be substituted into (or added to) the PBV Contract in the future.

~~17.26.2~~17.28.2 **HQS Deficiency Caused by the Family**

If a HQS deficiency is the responsibility of the family, the HACLA may grant a 30-day extension for the family to correct the deficiency. A copy of the notice shall be provided to the owner. If the deficiency is not corrected within 30 days, the HACLA may grant an additional extension of not more than 30 days for the family or the owner to bring the unit into compliance. The HACLA shall also notify the family and the owner that the HAP will be abated effective the first of the month following the expiration of the extension.

If the unit is not in compliance within 60 days of the first failed inspection, the HACLA must notify the family and the owner that the family's participation will be terminated within 30 days (but allowing sufficient time to provide the family with a 30-day window in which to request a hearing).

If the unit is not in compliance within 60 days of the first failed inspection, the unit must be abated on the first of the following month. The HACLA shall make no payment of HAP on such a unit unless and until the unit passes an HQS inspection. No retroactive HAP shall be allowed for any period of abatement. The owner may, however, apply for vacancy loss to the extent that it is allowed if he evicts the family.

If the family remains in the unit after termination of its participation, the HACLA shall terminate the unit from the PBV Contract upon 30 days' notice to the owner.

~~17.27~~17.29 **Program Terminations for Family Action or Inaction Other than HQS**

If the family fails to meet program requirements, the HACLA may terminate the family's participation in the PBV program. Termination from the program results in a termination of HAP for the contracted unit.

The owner may terminate the tenancy of the family and keep the unit covered under the PBV Contract, or the owner may request to substitute another unit with the same number of bedrooms in the same building for the affected unit and not terminate the family's tenancy in the unit. The request to substitute a unit must be made within 60 days of the termination of family participation.

The HACLA may terminate the unit from the PBV Contract if no suitable unit is available for substitution or if a unit is available but is unable to pass an HQS inspection within 60 days of the termination of the family's participation. Any substitution of units requires a contract amendment.

~~17.28~~17.30 **Determination of Eligibility**

All determinations of program and income eligibility shall be made by the HACLA. No person shall receive PBV assistance unless determined eligible by the HACLA.

~~17.29~~17.31 **Selection of Participants for PBV Units**

Except for families already participating in an assisted housing program operated by the HACLA, a family must be income eligible at the time it will be admitted to the PBV program.

A refusal of PBV assistance does not affect the family's position on the tenant-based waiting list. An owner's rejection of a family for admission to the owner's PBV units does not affect the family's position on the tenant-based waiting list.

All families must be screened for criminal histories in accordance with Section 5.20, *PBA, MRP, MRP-SRO, HOPWA* and *Tenant-based Section 8 Screening* and in accordance with the policies stated in Chapter 13, *Terminations and Denials*, of this Administrative Plan. With respect to the Jordan Downs Redevelopment site, neither HACLA nor the Owner may screen any household or family with a Declaration of Right to Retain Tenancy. Households displaced by the Jordan Downs Redevelopment ~~only~~, whether pursuant to the RAD Program or otherwise, have the right to return to the redeveloped site. [To the extent allowable by law, the HACLA will extend this prohibition of rescreening and right to return to any household or family in the same situation at other public housing redevelopment sites.](#)

The HACLA does not screen applicants for family behavior or suitability for tenancy. If the HACLA refers a family to an owner from its tenant-based waiting list, it shall provide only that information to the owner that is normally provided in the tenant-based program. The owner is responsible for screening all families for family behavior and suitability.

If a unit to be placed under PBV contract is occupied by a family participating in the tenant-based program and that family is otherwise eligible for the PBV unit, the family can be admitted into the PBV program provided that it is willing to enter into a new one-year PBV lease for the unit. If the family is not willing to enter into a new lease, the family must use its voucher to locate other housing.

Explanation: To the extent allowable by law, extends Jordan Downs prohibition of rescreening for reoccupancy and right to return to households in the same situation at other public housing redevelopment sites.

~~17.30~~[17.32](#) **Waiting Lists**

For the non PSHP-PBV program, the HACLA shall maintain a separate waiting list for each PBV site. The PBV owner shall refer families to the HACLA for placement on the site-based list. The HACLA monitors compliance with this requirement.

For PSHP-PBV projects, in accordance with HUD's guidance and technical assistance, HACLA shall utilize the Coordinated Entry System to fill vacancies for those units designated for homeless or chronically homeless applicants per the requirements of the NOFA under which the project applied and was awarded PSHP-PBV. Alternate, equivalent comprehensive assessment systems, including but not limited to the Department of Health Services internal assessment or the 10th decile triage tool, may also be used with approval of the HACLA.

~~17.30.1~~[17.32.1](#) **Cross Listing on the Tenant-based Waiting List**

If the HACLA's tenant-based waiting list is open when a family is placed on the non PSHP-PBV waiting list, the family must also be offered placement on the HACLA's tenant-based waiting list in accordance with 24 CFR 982.205(a).

If the tenant-based waiting list is closed at the time a family is placed on the non PSHP-PBV and the family wishes to be on the tenant-based waiting list, the family

must make a separate application for tenant-based assistance at such time as applications are being taken.

Placement on the non PSHP-PBV waiting list does not otherwise affect the family's placement on any other waiting list. A family may have a position on more than one waiting list.

~~17.30.2~~17.32.2 **Unit Criteria and Preferences**

The PBV owner must provide to HACLA any criteria or preferences for occupancy of particular units and must publicly display such criteria or preferences (including the criteria for any excepted units) at the building site and at any location where applications are taken or processed. The HACLA must approve any criteria and preferences for occupancy of particular units in writing. Preferences must be provided in accordance with 24 CFR 983.251.

~~17.30.3~~17.32.3 **Use of the Tenant-based Waiting List**

The HACLA must offer to place applicants who are listed on its tenant-based waiting list and who meet PBV requirements on the non PSHP-PBV waiting list.

The HACLA may, at any time, solicit interested families from its tenant-based waiting list for placement (cross-listing) on the HACLA non PSHP-PBV waiting list.

Upon request of the owner, the HACLA may review its tenant-based waiting list and refer to the owner applicants who are disabled or who appear eligible for any special services provided at a particular project. If the owner agrees that a certain applicant family meets the unit criteria, and the family agrees to be placed on the non PSHP-PBV waiting list, the HACLA shall place that family on the non PSHP-PBV waiting list.

~~17.31~~17.33 **Referrals to Accessible PBV Units**

If an applicant or participant family in the tenant-based voucher program has need for an accessible unit because it contains a member with a mobility impairment, the HACLA may refer the family to any PBV owner with a vacant accessible unit or an accessible unit that is not occupied by a person with disabilities that requires such a unit. See also Section 17.38, *Overcrowded, Under-occupied and Accessible Units*.

~~17.32~~17.34 **Filling Vacancies**

For non-PSHP building vacancies, the owner will notify the HACLA of any vacancy and the HACLA will refer to the owner families from HACLA's non PSHP-PBV waiting list. If there are no families on the non PSHP-PBV waiting list, the owner shall either refer a client to the HACLA for placement on the non PSHP-PBV waiting list and determination of eligibility, or ask the HACLA to solicit families from its tenant-based waiting list for placement on the non PSHP-PBV waiting list.

For PSHP-PBV building vacancies, in accordance with HUD's guidance and technical assistance, HACLA will transition to the following applicant referral process using a phased in approach that takes into account existing partner waitlists and contracts. The Coordinated Entry System must be used to fill at least four out of five vacancies for those units designated for homeless or chronically homeless applicants per the requirements of the NOFA under which the project applied and was awarded PSHP-PBV. Alternate, equivalent comprehensive assessment systems, including but not limited to the Department of Health Services internal assessment or the 10th decile triage tool, may also be used with approval of the HACLA. Remaining vacancies are filled with referrals received from partnering agencies who have an MOU or contract with the HACLA to submit referrals. HACLA will evaluate the referral process and make changes to the process in order to meet program and utilization objectives.

After the first year of the PBV Contract, if, despite the best efforts of the HACLA and the owner, a unit under PBV Contract has remained vacant for more than 120 days after the owner notified the HACLA of the vacancy, the HACLA shall give notice to the owner of its intent to amend the PBV Contract to reduce the number of contracted units.

If the unit remains vacant for 60 additional (180 consecutive) days, the HACLA shall reduce the number of contracted units by subtracting the number of units that have been vacant for such period from the PBV Contract by means of a contract amendment. The HACLA shall provide the owner at least 30 days written notice of such reduction.

~~17.33~~17.35 **Lease Requirements**

The HACLA requires the owner to use the same (standard) lease as is used for unassisted tenants on the premises. The HACLA does not approve or review the owner's lease. However, if an accessible unit under the PBV Contract is offered to an applicant not having disabilities requiring the accessibility features of the unit, the owner must require the applicant to agree (and shall incorporate this agreement in the lease) to move to a non-accessible unit when one is available or when the accessible unit is needed for another applicant who requires the accessibility features of the unit.

Regardless of the type of lease used, the lease must include the PBV tenancy addendum required by HUD containing word-for-word all provisions required by HUD. The lease must likewise meet all the requirements of 24 CFR 983.256.

~~17.34~~17.36 **Owner Termination of Tenancy or Refusal to Renew the Lease**

If the owner terminates the tenancy for good cause, which shall include failing to move from an accessible unit when required, the family is terminated from the Section 8 program in accordance with Chapter 13, *Terminations and Denials*, of this Administrative Plan.

A family terminated from the PBV program for good cause does not receive a tenant-based voucher. The family must apply or re-apply for Section 8 assistance through normal waiting list procedures. A termination of the lease for good cause does not of itself affect the family's standing or location on the HACLA's tenant-based waiting list. However, in

accordance with the provisions of Chapter 13, *Terminations and Denials*, it may bar the family from receiving assistance for a certain period of time.

If the owner terminates the tenancy unlawfully or for other than good cause, the family will be provided a tenant-based voucher. In such cases the HACLA will immediately remove the unit from the PBV Contract by means of a contract amendment.

~~17.35~~17.37 **Security Deposit**

The HACLA does not place any requirements on collection of security deposits. Owners shall comply with state and local laws governing the collection and return of security deposits and payment of any interest on security deposits. The owner shall not collect a security deposit in excess of the local private market practice, or in excess of amounts charged by the owner to unassisted tenants.

The HACLA has no liability or responsibility for payment of any amount owed by the family to the owner.

~~17.36~~17.38 **Overhoused, Underhoused and Accessible Units**

If a family occupies a wrong-size unit or a unit with accessibility features that the family does not require, the HACLA will notify the family and the owner of this determination and of its intent to terminate assistance for the unit.

In such cases, the HACLA will provide the family with a tenant-based voucher unless:

- the owner has available a unit of appropriate size, and
- the family meets any special criteria for the unit, and
- the family wishes to rent the available unit, or
- there is no funding available to issue a tenant-based voucher

For underhoused families, see Section 10.10.3 of this Administrative Plan.

For overhoused families, see Section 10.10.5 of this Administrative Plan.

After issuing a family a tenant-based voucher to locate another unit, the HACLA will continue assistance in the PBV unit for the family for as long as the family holds a valid tenant-based voucher. The HACLA must terminate PBV assistance for the family at the expiration of the term of the voucher (including any extension granted by the HACLA).

If the family refuses the offer of a unit of appropriate size by the owner and/or refuses the offer of voucher assistance, the HACLA shall terminate PBV assistance of the wrong-sized or accessible unit within 90 days of the family's refusal and with 60-days' notice to the family and owner. Ninety days shall be considered a reasonable period for the family to continue to receive PBV assistance if it has refused offers of other assistance.

~~17.37~~17.39 Family Right to Move

In the PBV program, the family has a right to terminate its PBV tenancy after the first year of occupancy under the current lease by providing an appropriate notice to the owner and the HACLA. Before providing notice, the family must contact the HACLA if it wishes to move with continued assistance. Under such circumstances:

1. The HACLA shall conduct a full criminal background check to determine whether the family should be admitted to the regular HCVP in accordance with the requirements of Chapter 13, Terminations and Denials, of this Administrative Plan.
2. The family must meet citizenship and all other requirements to be admitted to the regular HCV program.
3. For families receiving drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, the family must agree to be referred to supportive services, if needed.
4. The family is currently in compliance with PBV regulations, including, but not limited to, being in compliance with their supportive service plan.
5. The family is in compliance with their current lease, including, but not limited to, paying their rent on time each month.

The family can vacate the PBV unit once HACLA provides the family with a voucher of appropriate size for the same duration and under the same conditions as it provides vouchers for families in the tenant-based program.

If the family terminates its tenancy before the end of its initial one year term, the family forfeits its right to tenant-based assistance.

A family or member of the family is not required to give advanced written notice, with a copy to the HACLA, of intent to vacate the PBV unit if the family has been living in a unit for less than one year and the family moved to protect the health or safety of a victim of domestic violence, dating violence, sexual assault, or stalking. If tenant-based assistance is not available at this time, the HACLA must give the family priority to receive the next available opportunity for tenant-based assistance, even if they have left the unit to protect the family's safety.

If the family wishes to terminate its tenancy but the HACLA cannot immediately issue a voucher, the PBV family shall be given priority for the next available voucher notwithstanding any other provision of this Administrative Plan.

For exceptions to the policy regarding family right to terminate its PBV tenancy after the first year of occupancy under the current lease see Section 12.2.2, Exceptions to Limitations on Moving, of this Administrative Plan.

~~17.38~~17.40 Excepted Units and Substitution Policy

If a family while a resident of an excepted unit received FSS or other supportive services in accordance with the owner's and HACLA's policy and the PBV Contract and the family

completes the FSS or other supportive services requirements, the family may remain in the excepted unit and, for as long as the family remains in the unit, the unit shall be counted as an excepted unit under the terms of the PBV Contract.

If the family no longer meets the criteria for a “qualifying family,” that is, if the family does not complete the FSS contract of participation (CoP) or the family fails to meet its supportive services requirement as set forth in the supportive services statement of family obligations, or if the remaining members of a family no longer qualify for elderly or disabled family status, the HACLA shall require the family to vacate the unit within 60 days and shall provide a copy of this notice to the owner. The family is not eligible for a tenant-based voucher.

If the family has not vacated the unit within 60 days, the HACLA will provide 60 days’ notice to the family and the owner of its intention to terminate PBV assistance for the family and the unit. If the family still remains in the unit after the HAP has been terminated, the HACLA shall notify the owner of its intent to remove the unit from the PBV Contract by contract amendment. The termination shall take effect within 60 days after termination of the HAP.

The owner may offer a substitute unit if he does not wish to evict the tenant, but the substitute unit must be available and pass inspection by the proposed date of the termination of the unit from the PBV Contract. The HACLA shall execute a contract amendment to delete the unit from the PBV Contract unless the family has moved from the unit by that date. If a substitute unit has been designated by the owner and found acceptable by the HACLA, the substitute unit may replace the terminated unit by contract amendment.

~~17.39~~17.41 Determining the Initial Rent to Owner

The initial rent to owner shall be determined in accordance with 24 CFR Part 983 Subpart G.

~~17.40~~17.42 Use of FMRs and Utility Allowances

The HACLA will normally use the FMR and utility allowance in effect at the execution of the PBV Contract or in effect at the time of a rent re-determination. However, the HACLA may, at its sole discretion, use a payment standard not to exceed 110% of the current FMR or the FMR amounts in effect at any time during the 30-day period immediately before the contract execution or rent re-determination date.

~~17.41~~17.43 Re-determining Rent to Owner - Rent Reasonableness

~~17.41.1~~17.43.1 General Requirements

For the PBV program, comparability studies are not required annually, and use of the Form HUD-92273 is not required. When determining comparability at least three comparable units must be used from the private unassisted market and these may include unassisted units in the PBV premises.

~~7.41.27.43.2~~ **Decrease in FMR**

Rent to the PBV owner (but not the PBC owner) must be re-determined when there is a five percent or greater decrease in the published FMR. Re-determination requires a comparability analysis for contracted units in addition to a reassessment of whether the contracted units meet the rent caps required by the regulation. If the rent to owner must be decreased, it shall be decreased within 90 days of the publication of final FMRs and with not less than 30 days' notice to the owner.

~~17.41.3~~17.43.3 **Owner's Request for Rent Increase**

~~17.41.3.1~~17.43.3.1 **PBV Program**

The Owner may request an increase in rent for units covered by the PBV Contract once annually. The request must be in writing and must be received by the HACLA at least 60 days prior to the contract anniversary date. Any increase in rent shall be made effective on the anniversary date of the PBV Contract.

Because PBV units are not governed by an annual adjustment factor, they are subject to all applicable provisions of the City of Los Angeles Rent Stabilization Ordinance (RSO) if they fall under the governance of that Ordinance.

Rent to the owner can never exceed the reasonable rent for the unit. In addition, the owner's rent is capped at 110 percent of the applicable Fair Market Rent (FMR) or exception payment standard approved by HUD unless the units are certain tax credit units as determined by the PBV rule.

If the building is covered by rent control, the amount of the rent increase is capped by the RSO. Under these circumstances, a family that is paying the full rent to the owner may, due to the nature of the program, receive more than one increase in the tenant rent in a one-year period, but only one will have been due to an increase in the owner's rent.

Rent increases are not provided retroactively for abated PBV units even if the abatement is due to the actions of the family. A unit is considered to be out of HQS compliance on the date the unit is placed on abatement. An abated unit cannot benefit from an increase in the rent to owner until the date the unit passes an HQS inspection.

~~17.41.4~~17.43.4 **Other Changes Requiring a Comparability Study**

Whenever the PBV contract is amended to substitute or add a unit, the HACLA must determine that the rent for the unit is reasonable.

A comparability study is also required whenever the HACLA will approve a change in the allocation of responsibility for utilities between the owner and the tenant and whenever there is any other change that might substantially affect the reasonable rent.

~~17.41.5~~17.43.5 **HACLA-owned Units**

In both PBC and PBV programs the amount of rent for any PHA-owned units must be determined by an independent agency approved by HUD which must furnish a copy of the independent entity's determination of rent reasonableness to the HACLA and to the local HUD field office.

~~17.42~~17.44 **Vacancy Payment**

~~17.42.1~~17.44.1 **Payment for Move-out Month.**

In PBV programs, the HACLA pays the owner the HAP through the end of the move-out (vacate) month.

To address financial shortfalls and reduce costs in the Section 8 program, the HACLA may pay the owner through the date in which the family vacates the unit taking into account a reasonable timeframe, not to exceed seven days, to allow the family to vacate the unit.

~~17.42.2~~17.44.2 **Payment for Vacancy Loss**

For the PBV program the HACLA makes vacancy loss payments in accordance with the following:

If an assisted family moves out of a contracted unit to a unit not under the same PBV Contract, the HACLA will pay an amount equal to 80 percent of the monthly rent to the owner for a vacancy period not exceeding 30 days beyond the end of the month in which the unit was vacated. However, if the owner collects any of the family's portion of the rent for the 30 days after the move-out month, such amount shall be deducted from the vacancy payment. Likewise the vacancy payment shall be reduced by any remainder available from the tenant's security deposit after deducting amounts required to satisfy unpaid rent or court-awarded damages as established by a judgment or stipulation made in an eviction action undertaken in accordance with state and local law.

The owner is not entitled to any payment for vacancy loss unless:

- The owner has complied with all provisions of the PBV Contract including the requirement to provide the HACLA with a copy of any eviction notice at the same time that the owner gives notice to the tenant;
- the owner gives prompt written notice certifying that the family has vacated the unit;

- the owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- the owner provides any additional information or substantiation required by the HACLA to verify that the owner is entitled to the vacancy payment;
- the owner certifies he/she has taken every reasonable action to minimize the likelihood and length of the vacancy including referring families from the site-based list to the HACLA for determination of eligibility.

The HACLA will process vacancy loss claims received within 90 calendar days after the move-out date.

To address financial shortfalls and reduce costs in the Section 8 program, the HACLA may pay the owner through the date in which the family vacates the unit taking into account a reasonable timeframe, not to exceed seven days, to allow the family to vacate the unit.

~~17.43~~17.45 **Utility Reimbursement**

In both the PBC and PBV programs, if the family is entitled to a reimbursement for utility expenses, the HACLA shall pay the utility reimbursement directly to the family by means of a check.

~~17.44~~17.46 **Rental Assistance Demonstration and Project Based Vouchers**

Where the Housing Authority chooses to convert public housing projects to Rental Assistance Demonstration (RAD) Section 8 Project Based Voucher (PBV) the provisions of this section and its subsections will apply. In the event of a conflict between applicable RAD notices and guidance and the following provisions, applicable RAD notices and guidance apply.

Explanation: Clarifies that applicable RAD notices and guidance are not superseded by the PBV RAD-related Administrative Plan language.

~~17.44.1~~17.46.1 **Term of the RAD PBV Contract**

The initial contract will be for a period of at least fifteen (15) years (up to 20 years upon request of the Project Owner and with approval by the HACLA). Upon expiration of the initial contract, the HACLA must offer, and the Owner must accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriated funds and the owner's satisfactory RAD PBV program performance, for such periods as the HACLA deems appropriate and in accordance with HUD regulations and instructions.

~~17.44.2~~17.46.2 **Contract Rents**

The initial rent to owner shall be provided by HUD based on the level of public housing capital and operating subsidies and tenant rents, and shall be further constrained by the reasonable rent and as otherwise provided in RAD requirements.

~~The initial rent to owner shall be determined in accordance with 24 CFR Part 983 Subpart G. Initial contract rents cannot exceed the lower of:~~

- ~~(a) the reasonable rent,~~
- ~~(b) an amount determined by the HACLA, not to exceed 110 percent of the applicable FMR minus any utility allowance, or~~
- ~~(c) the rent requested by the owner.~~

Explanation: Corrects description of initial RAD rents.

~~17.44.3~~17.46.3 Re-determining Rent to Owner - Rent Reasonableness

Contract rents will be adjusted only by HUD's OCAF at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in private market, as determined by the Contract Administrator in accordance with 24 CFR § 983.303. However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract.

~~17.44.4~~17.46.4 Conversion from Public Housing to RAD PBV or PBRA

At conversion, current public housing households are not subject to rescreening, income eligibility, or income targeting. Consequently, ~~current~~such households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Once ~~that remaining~~any such household moves out, the unit must be leased to an eligible family. Further, so as to facilitate the right to return to the assisted property, this provision shall apply to current public housing residents of the Converting Project that will reside in non-RAD PBV units placed ~~in~~on a project site that ~~contain~~contains RAD PBV units or ~~RAD~~-PBRA units. Such families and such contract units ~~will otherwise~~otherwise will be subject to all requirements of the ~~applicable program, specifically 24 CFR § 983 for~~PBV program, except as may be modified by any RAD requirements. Households at project sites converting to RAD who were not public housing residents that will reside in non-RAD PBV units and the PBRA requirements governing the also will be subject to any applicable contract for non-RAD PBRA units. RAD requirements, to the extent such requirements modify otherwise applicable PBV requirements.

Explanation: Makes clarification and acknowledges that some RAD requirements unrelated to right to return and no rescreening may apply to former public housing residents in non-RAD PBV units, and to other residents of the converted site who reside in units that receive non-RAD PBV.

~~17.44.5~~17.46.5 Phase-in of Tenant Rent Increases

If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years.

For each RAD transaction, the HACLA shall specify prior to conversion whether the length of the conversion will be 3 or 5 years.

Explanation: Clarifies the RAD requirement.

~~17.44.6~~17.46.6 Termination Notification Requirements for RAD conversions to PBV

The termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- a. A reasonable period of time, but not to exceed 30 days:
 - i. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - ii. In the event of any drug-related or violent criminal activity or any felony conviction;
- b. 14 days in the case of nonpayment of rent; and
- c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

~~17.44.7~~17.46.7 Grievance Process

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),²⁶ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 - ii. For any additional hearings required under RAD, the Project Owner will perform the hearing.
- b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.

- c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- d. The Project Owner provides opportunity for an informal hearing before an eviction.

~~17.44.8~~17.46.8 Establishment of Waiting List

For public housing projects converting to Section 8 assistance through HUD's Rental Assistance Demonstration ("RAD") program, there shall be a preference established on the RAD Waiting List for applicants currently on the Public Housing Waiting List wishing to be added to the RAD or PBV Waiting List for the replacement units. To inform residents on the Public Housing Waiting List about this opportunity, the HACLA will mail formal notices to at least the first 5,000 households on the Public Housing Waiting List. Individuals on the Public Housing Waiting List who wish to be added to the RAD Waiting List shall maintain their original public housing application date. If a lottery is utilized, the Public Housing Waiting List applications will be sorted from all other applications and drawn first for available units. Once their numbers have been assigned, the remaining slots will be filled by drawing from the non-Public Housing Waiting List pool.

The HACLA considers the best means to transition applicants from the current public housing waiting list as provided by PIH Notice 2012-32 revision 3 as amended or superseded from time to time.

~~17.44.9~~17.46.9 Resident Participation and Funding

For public housing conversions to long-term, project-based Section 8 voucher rental assistance contracts, including the Rental Assistance Demonstration, residents will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding. Project Owners must provide \$25 per occupied replacement PBV unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate resident organization at the property.

~~17.45~~17.47 Requests for Reasonable Accommodation

If the HACLA approves a reasonable accommodation that would require the family to move to another unit, the family may be transferred between PBV units within the same building or under the management of the same PBV owner serving the same target population without losing the family's Section 8 subsidy. If an accommodation is required but the owner does not have a suitable unit available, the family may then be transferred to a PBV unit managed by another owner participating in the PBV program and serving the same target population without losing their Section 8 subsidy. If no adequate PBV unit is

available, the HACLA may issue the family a tenant-based Housing Choice Voucher as a reasonable accommodation if funding is available.