

HUD Section 811 PRA Owner and Property Manager Operating Manual



New Hampshire
Housing

32 Constitution Drive
Bedford, NH 03110
www.nhhfa.org
603-472-8623



Revised: June 2020

Contents

0.0	DEFINITIONS	2
1.0	GENERAL OVERVIEW OF THE HUD 811 PROGRAM	3
2.0	ROLE OF NHHFA	3
3.0	Coordination of Supportive Housing Component of the Program	3
4.0	HUD 811 GRANT AWARDS	3
5.0	QUALIFIED ALLOCATION PLAN AND BONUS POINTS IN SCORING	4
6.0	ROLE OF OWNER	4
7.0	ROLE OF PROPERTY MANAGER	4
8.0	ROLE OF TENANT	4
9.0	ROLE OF SUPPORT SERVICE PROVIDER	4
10.0	COMMITTING UNITS TO THE PROGRAM	4
11.0	GENERAL GUIDELINES FOR SELECTING A SUITABLE PROPERTY	5
12.0	RENTAL ASSISTANCE CONTRACT (RAC)	5
13.0	USE AGREEMENT	5
14.0	PROGRAM MANAGEMENT AFTER RAC IS EXECUTED	6
15.0	OWNER REPORTING REQUIREMENTS	6
16.0	MARKETING AND OUTREACH	6
17.0	WAIT LIST MANAGEMENT, REFERRALS AND PRESCREENING	6
18.0	APPLICANT AND THEIR SUPPORT SERVICE PROVIDER	6
19.0	NHHFA'S PROGRAM SELECTION PLAN	7
20.0	AFFIRMATIVE FAIR HOUSING MARKETING PLAN	7
21.0	CIVIL RIGHTS, NONDISCRIMINATION AND LIMITED ENGLISH PROFICIENCY (LEP) REQUIREMENTS	7
22.0	PROPERTY'S TENANT SELECTION PLAN (TSP)	7
23.0	MARKETING, AND TENANT SELECTION	8
24.0	SCREENING AND SELECTION	8
25.0	VACANCY PAYMENTS	10
26.0	APPEALS	11
27.0	RENT CALCULATION	11
29.0	UTILITY ALLOWANCE	12
30.0	ANNUAL RECERTIFICATIONS	13
31.0	ANNUAL RENT INCREASES	13
32.0	SECURITY DEPOSITS AND DAMAGES	14
33.0	LEASE	14
34.0	LEASE AMENDMENTS AND MODIFICATIONS	15
35.0	RESIDENT/MANAGEMENT RELATIONS	15
36.0	PET DEPOSITS AND OTHER CHARGES	16
37.0	HUD SECURE SYSTEMS	16
38.0	MONTHLY HAP BILLING CYCLE	16
39.0	TRACS	16
40.0	TERMINATIONS	17
41.0	FLOATING RENTAL UNITS	17
42.0	OVER-HOUSING TENANTS	17

HUD 811 PRA Program

Owner and Property Manager Operating Manual

0.0 DEFINITIONS

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

- Owner refers to the role of the developer, property owner(s), and property manager.
- Applicant refers to an 811 eligible individual or household prior to their being approved by an owner to lease an 811 unit.
- 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.
- 811 unit refers to the apartment unit that has the HUD 811 rental assistance attached to it.
- 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.
- Grantee refers to the New Hampshire Housing Finance Authority (NHHFA) as the recipient of the HUD 811 grant.
- 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.
- 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.
- 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).
- 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.

1.0 GENERAL OVERVIEW OF THE HUD 811 PROGRAM

- 1.1** Targets extremely low-income, nonelderly persons between the ages of 18 and 61 with severe mental illness at the time of admission and with severe mental illness and their family.
- 1.2** Provides Project-Based Rental Assistance (PRA) attached to select Low Income Housing Tax Credit (LIHTC) and other publically funded properties throughout New Hampshire.
- 1.3** Revamps the old HUD 811 program by providing community based integrated housing giving households more choice about the communities where they live.

2.0 ROLE OF NHHFA

The program is operated by New Hampshire Housing Finance Authority (NHHFA) in partnership with the New Hampshire Department of Health & Human Services, Division for Behavioral Health, Bureau of Mental Health Services (DHHS, BMHS). These two agencies have entered into an Interagency Partnership Agreement (IPA) to oversee the operations of the program for the life of the HUD 811 grant.

3.0 Coordination of Supportive Housing Component of the Program

DHHS, BMHS is 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 both agencies involved in the Inter-Agency Partnership Agreement (IPA). DHHS, BMHS will work with the 811 owners to ensure that the program is a success and that there is a steady supply of applicants to fill vacancies when they occur.

DHHS, BMHS will provide education to the owners and property managers. They will supply the owners with the names and contact information of staff available if a crisis situation regarding an 811 household arises. They will also provide general information regarding how to address a crisis situation related to an 811 tenant or household member. Additionally, DHHS, BMHS will provide each Owner with a point of contact for concerns regarding the 811 PRA resident/household and will work with owners and property managers to address support services issues that might come up related to unresolved tenant issues.

The 811 Advisory Committee (made up of members from NHHFA, and DHHS, BMHS) meets at least quarterly to discuss the implementation of the 811 program and to address any issues related to the operations of the program. NHHFA's HUD 811 Program Manager coordinates the activities of the committee.

4.0 HUD 811 GRANT AWARDS

NHHFA was awarded a HUD 811 grant for the state of New Hampshire. \$ 8,634,824 to fund 191 units for the first 5 years. 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

NHHFA has awarded points since 2015 for tax credit applications, where if claimed by the owner and selected for funding or for units in already existing properties, the owner agreed to accept project-based rental assistance targeted to persons with severe mental illness if requested by NHHFA at a later date. NHHFA has now secured over \$8 million to fund long-term project-based rental assistance at properties that were awarded Community Based Supported Housing points.

6.0 ROLE OF OWNER

Owners agree to work with NHHFA and DHHS, BMHS 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 persons assisted through the 811 program.

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.

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 DHHS, BMHS.

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 owner is awarded points for a current or future application for funding as a tax credit development, the owner is committing to accept project based rental assistance for a specific population, namely persons with severe mental illness.

10.1. Owners commit to the 811 PRA applicant preference as current units turnover until all Section 811 PRA units are filled.

10.2. Units must be dispersed throughout the property and must not be segregated to one area of a building (such as on a particular floor or part of a floor in a building or in certain sections within a project). Owners will designate the number of units to be set-aside as Assisted Units but the types (e.g. accessible) and the specific unit numbers (e.g., units 101, 201, etc.) will be flexible depending on the needs of the program and availability of the units in the property.

11.0 GENERAL GUIDELINES FOR SELECTING A SUITABLE PROPERTY

NHHFA will 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 Non-age restricted 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 New or existing property, or scattered site properties owned by the same ownership entity, with at least five (5) housing units that received federal, state or local capital funding at any time in the property's existence.
- 11.10 NHHFA will not place more than 10%-25% of the total units at the development, or 2 units, whichever is greater, under the 811 program.
- 11.11 No more than ten 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 RENTAL ASSISTANCE CONTRACT (RAC)

The Rental Assistance Contract (RAC) is executed between the owner and Grantee no later than the time that NHHFA is notified of rental units ready to be leased by 811 tenants. For properties that have newly constructed/rehabilitated units coming onto the market, owners are expected to sign the RAC at least 120 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.

13.0 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 (NHHFA) 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 (NHHFA) 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 alternative sources, NHHFA will terminate the Use Agreement and the RAC.

14.0 PROGRAM MANAGEMENT AFTER RAC IS EXECUTED

NHHFA's Asset Management group will coordinate all RAC development with owners. Once a RAC is in place, the ongoing management of the RAC will also take place in NHHFA's Asset Management group. DHHS, BMHS will coordinate referrals to fill vacancies, tenant relations and liaison with support service providers. NHHFA Asset Management group will coordinate: HUD Secure Systems, TRACS, and monthly billings. Owners are expected to begin vouchering for a 811 unit within 60 days of a move-in.

NHHFA will coordinate unit inspections, review of resident files, EIV and other HUD compliance in conjunction with the LIHTC management and occupancy review of the property.

15.0 OWNER REPORTING REQUIREMENTS

Owner will maintain compliance with the following reporting requirements:

- Voucher Reporting – Monthly
- Rent Increase Requests – Annually
- Owner Certification of Compliance with the Use Agreement – Due annually by March 1st.
- Owner Certification of Compliance with Fair Housing-Due annually by March 1st.

16.0 MARKETING AND OUTREACH

All marketing and outreach to identify applicants for the HUD 811 program will be done by DHHS, BMHS. NHHFA's HUD 811 Program Manager works very closely with DHHS, BMHS to monitor marketing and outreach efforts.

17.0 WAIT LIST MANAGEMENT, REFERRALS AND PRESCREENING

DHHS, BMHS receives applicant referrals directly from Support Service Providers around the state. DHHS, BMHS staff pre-screens all applicants prior to referring them to a unit or placing the applicant on 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 connected to support services with DHHS, BMHS.

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 NHHFA'S PROGRAM SELECTION PLAN

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

- 19.1** Applicant eligibility requirements for the program
- 19.2** How the marketing and outreach components to the program are managed
- 19.3** How the Wait List is managed
- 19.4** How referrals are made to 811 properties
- 19.5** How NHHFA and our State partners work with owners to prevent evictions and retain tenants
- 19.6** Confirms that each 811 property will have its own Tenant Selection Plan

20.0 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. NHHFA has developed an AFHMP (HUD Form 92243-PRA) which will be attached to the RAC as Exhibit 3 and is also available for review upon request.

21.0 CIVIL RIGHTS, NONDISCRIMINATION AND LIMITED ENGLISH PROFICIENCY (LEP) REQUIREMENTS

NHHFA, DHHS, BMHS and owners must comply with all applicable fair housing and civil rights requirements. Applicants will not be discriminated against because of race, color, national origin, religion, gender, disability, age, sexual orientation, marital status, perceived sexual orientation or gender identity or perceived gender identity.

NHHFA, DHHS, BMHS 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.

Owners shall take reasonable steps to ensure meaningful access to their program and activity to LEP individuals in accordance with Executive Order 13166.

22.0 PROPERTY'S TENANT SELECTION PLAN (TSP)

The HUD 811 Program allows each property to maintain its own tenant selection plan. NHHFA 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. The owner's TSP must state that there is an occupancy preference for 811 eligible tenants; describe what the EIV Existing Tenant Search is and that it will be used prior to move in; HUD Section 8 Student Eligibility; HUD Social Security Number Disclosure Requirements and have Violence Against Women Act (VAWA) Protections. NHHFA will review the owner's TSP and approve the Plan for 811 provisions. NHHFA is not approving the Plan for any other content.

23.0 MARKETING, AND TENANT SELECTION

NHHFA and DHHS, BBH are responsible for developing methods for outreach, referral, marketing, and identifying applicants from the target populations, and maintaining the waiting list for 811 applicants.

24.0 SCREENING AND SELECTION

24.1 Selecting Names from the Wait list.

- 24.1.1 When a property knows that a unit, that can be designated as an 811 unit, will be coming available for lease (when the current resident gives a 30-day notice to vacate or in the event that a notice is not given, when you learn of the vacancy) the Owner/Property Manager will notify NHHFA's Asset Management Group immediately of the vacancy using the 811 Vacant Unit Notice form.
- 24.1.2 NHHFA will then notify DHHS, BMHS of the anticipated vacancy.
- 24.1.3 DHHS, BMHS or NHHFA will notify the property manager/owner in writing via email, within 3 business days of receipt of the Vacant Unit Notice that they accept the unit for availability to a Section 811 applicant.
- 24.1.4 If there are no Applicants on the wait list interested in applying to the available property when a unit becomes vacant, then the liaison will notify the owner in writing via email; within 3 business days of receipt of the Vacant Unit Notice; so the unit can be leased to a non-811 applicant.
- 24.1.5 The DHHS, BMHS will prescreen applicants from the top of the 811 wait list that have selected the town where the unit is located as a preference.
- 24.1.6 Applicants that have been referred to a property have 14 calendar days to complete the application. DHHS, BMHS will submit the completed application to the agent.
- 24.1.7 The agent will screen the application in accordance with the property's Tenant Selection Plan.
- 24.1.8 The agent will notify the applicant, the applicant's Case Manager and DHHS, BMHS that the application is accepted and make an appointment for the applicant to meet with the property agent, view the unit and make a decision as to whether or not they want the unit so that the property agent can process the application for move-in. The applicant's case worker may accompany the applicant to the initial appointment with the agent and to the move in appointment, as determined necessary and/or agreed upon by the case worker and the applicant.
- 24.1.9 If an applicant is rejected by the agent for noncompliance with the owner's Tenant Selection Plan, the reason for rejection needs to be stated plainly in writing and state that the applicant has to 14 days to appeal the rejection. The rejection letter must be sent to the applicant. The rejection letter must also be sent, via email, to DHHS, BMHS and the applicant's Case Manager.
- 24.1.10 If the process of referring an eligible 811 applicant to the property takes more than 14 calendar days, DHHS will pay the prorated market rent to the owner until such time as the unit is offered to an 811 applicant, the unit is ready for move in and the 811 applicant has been notified of the effective move in date until the time the 811 applicant takes occupancy.
- 24.1.11 If an applicant is approved for a unit and has a move-in date, and then the applicant delays the move-in, the property agent can submit a Special Claim for rent loss; up to a 60-day maximum timeframe.

- 24.1.12 DHHS, BMHS will continue to send referrals to the owner until an applicant is selected or until the 811 Wait List is exhausted and DHHS, BMHS has no other applicants to refer.
- 24.1.13 If there are no applicants on the wait list interested in applying to an available property, DHHS, BMHS will notify NHHFA who will in turn notify the owner in writing via email that the unit is being released from the 811 Program so the unit can be leased to a non-811 tenant.
- 24.1.14 DHHS, BMHS will make every effort to ensure that the 811 applicant takes possession of the unit within 30 days of the effective move in date.

24.2 Placing 811 PRA Applicants on the Property's Wait List

When an 811 PRA applicant applies, the owner will place the applicant on the property's wait list and track preference notes as to why the applicant moved to the top of the wait list and was given priority for the next available unit.

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

Owners must notify NHHFA as soon as they know a unit will become vacant. Owners must use the Vacant Unit Notice form and email the completed notice to NHHFA. DHHS, BMHS will then identify an applicant to refer to the property. DHHS, BMHS will either accept the unit or reject it. Rejecting the unit means DHHS, BMHS does not have an applicant to refer to the property. DHHS, BMHS will send the owner via email an acceptance of the unit or a rejection of the unit.

If DHHS, BMHS rejects the unit then the owner is free to fill the unit with a non-811 tenant. If DHHS, BMHS accepts the unit, then NHHFA will begin paying the vacancy loss after the unit is offered to the applicant and the applicant has been informed of the move in date for up to 60 days, or until occupied by the 811 resident, 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.

Special claims for vacancy loss during rent-up are compensation to property owners for rental loss attributed to vacant units during the initial 811 rent-up period of a property. The Owner is entitled to vacancy loss during rent up payments that do not exceed 80 percent of the Contract Rent for up to 60 days for each vacancy as long as the Owner:

- 25.1.1 Certifies that it did not cause the vacancy by violating the lease, the RAC or any applicable law;
- 25.1.2 Notified DHHS, BMHS of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
- 25.1.3 Has fulfilled and continues to fulfill the terms below;
- 25.1.4 Processes all referred applicants in a timely manner consistent with NHHFA's 811 program; and
- 25.1.5 Quickly prepares vacant units to a leasable condition; and
- 25.1.6 Has not rejected any applicant, except for good cause acceptable to the Grantee and DHHS, BMHS.
- 25.1.7 Certifies that any eviction resulting in a vacancy was carried out in compliance with HUD requirements and state/local laws, including providing reasonable accommodations.

25.2 Vacancy Loss during Rent-up.

The vacancy loss is up to 80% of the Contract Rent for up to 60 days. Owners submit the Special Claim to NHHFA for approval and submit the approved claim through the monthly billing system for housing assistance payments.

NHHFA will pay a vacancy loss up to 60 days for applicants that have been approved for a rental unit and have been given a move in date 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.

25.3 Vacancy Loss after Rent-up:

A special claim for vacancy loss after rent-up is compensation to the property owner for the loss of rental income of a unit that was previously occupied by an 811 assisted resident but has been vacant for circumstances beyond the owner's control. Vacancy loss after rent-up can be claimed from the time the unit is rehabilitated and ready for occupancy to the time, up to 60 days, it takes for another 811 PRA applicant to move in. The vacancy payment will cover 80% of the contract rent for up to 60 days to allow the owner to rent the unit to another person receiving an 811 subsidy. The owner is not eligible to collect a vacancy payment once the owner starts receiving rental income on the unit.

26.0 APPEALS

Rejected applicants may work with their Support Service Provider 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, on appeal, the owner reverses their decision rejecting the applicant, then the applicant will be considered for the next 811 opening at that property.

27.0 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.*

27.1 Owners must use HUD's Enterprise Income Verification (EIV) system as a third party source to verify tenant employment and income information during mandatory annual and interim certifications 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.

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:

- 27.1.1 30% of monthly adjusted income;
- 27.1.2 10% of monthly gross income;
- 27.1.3 Welfare rent (welfare recipients in as-paid localities only); or \$25 minimum rent.

27.2 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.

28.0 UTILITY ALLOWANCE

NHHFA requires that any individual apartments occupied by residents who receive HUD assistance must use the PHA Utility Allowance Schedule for New Hampshire as published by NHHFA annually or an actual use calculation as prescribed by New Hampshire Housing for the LIHTC and HOME programs. This requirement would apply to 811 units since 811 is HUD assistance.

28.1 Tenant Rent

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.

28.2 Utility Reimbursements:

Utility Reimbursements Funds, which are calculated in the Tenant Rent Calculation, will be billed by the owner to NHHFA 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 NHHFA. The Owner must provide the utility reimbursement to the tenant or utility provider within 5 business days of receipt of the payment from NHHFA.

29.0 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 NHHFA 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-calculate 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.

30.0 ANNUAL RENT INCREASES

Owners may request a rent increase on the anniversary date of the Rental Assistance Contract (RAC) for a property. The method that will be used to calculate the increase is HUD's Operating Cost Adjustment Factor (OCAF). All requests for rent increases must be submitted to NHHFA for review and approval. NHHFA will send a notification of the rental adjustment 150 days prior to the anniversary date of the RAC. **All requests must be received no later than the effective date of the increase (anniversary date of the RAC). If no request is received by that date, the owner will have to wait until the following year to request an increase.**

31.0 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.

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 NHHFA, DHHS or to HUD. The owner must seek any amounts over and above the security deposit from the resident.

Special Claims for unpaid rent, tenant damages and other charges can be submitted. A special claim for unpaid rent, tenant damages and other charges due under the lease is reimbursement to a property owner for a former tenant's failure to pay the monthly rent, other charges due under the lease, or for damages caused by the negligence or abuse of the former tenant.

32.0 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.

32.1 **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.

32.2 **Lease Form:**

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

33.0 LEASE AMENDMENTS AND MODIFICATIONS

HUD allows six (6) Amendments to the HUD Model Lease. The six standard Amendments that HUD allows are:

- 33.1 Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedure (HUD Form 50059)
- 33.2 VAWA Lease Addendum
- 33.3 Unit Inspection Report
- 33.4 House Rules
- 33.5 Pet Rules
- 33.6 Live-In Aide Addendum
- 33.7 Disclosure of contact information for Owner and Property Manager

Items not covered by the Model Lease can be addressed and attached as House Rules. NHHFA 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 Lease.

NHHFA must review and approve the Unit Inspection Report, House Rules, Pet Rules and Live-In Aide Addendum for 811 compliance and content only. Approval is not for any other content.

34.0 RESIDENT/MANAGEMENT RELATIONS

Owner must ensure that they operate the property in accordance with health and safety standards and maintain positive relations with the residents. The Owner will have a written appeals process for resident disputes. If an Owner is unable to resolve any resident dispute or conflict, the Owner will contact DHHS, BMHS who will provide resolution services as necessary to support the tenancy of the individual/household in the Section 811 PRA program assisted unit. DHHS, BMHS will also provide services through the Referral, Education, Assistance and Prevention (REAP) Program. Additionally, DHHS, BMHS will provide the Owner with a point of contact with resident concerns.

If DHHS, BMHS cannot resolve the dispute to the satisfaction of each party the Owner and/or DHHS, BMHS will contact the Program Manager at NHHFA.

35.0 PET DEPOSITS AND OTHER CHARGES

35.1 **Pet Deposits:**

The pet rules may require tenants to pay a refundable pet deposit. This deposit is in addition to any additional financial obligation generally imposed on tenants of the property.

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

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

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)

35.2 **Late Payment of Rent:**

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

36.0 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.

37.0 MONTHLY HAP BILLING CYCLE

Day of the Month	Activity
1 to 10	Owners submits tenant data to NHHFA via iMAX
10	Owners submit "Child" payment (monthly voucher) requests to NHHFA for the upcoming month
1 to 19	NHHFA works with owners to correct all TRACS and billing issues
20	NHHFA combines all "Child" level invoices into one "Parent" Invoice and reviews and approves
25	NHHFA submits "Parent" Invoice to HUD via iMAX
29	HUD direct deposits "Parent" payment to NHHFA
30	NHHFA direct deposits "Child" payments to each owner

38.0 TRACS

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.

Additional information about subsidy data reporting can be found in TRACS 202D MAT Guide. The guide 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.

39.0 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 serving this notice must be in accordance with the provisions of state and local law.

40.0 FLOATING RENTAL UNITS

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

41.0 OVER-HOUSING TENANTS

NHHFA does not permit overcrowding or under-utilization at initial lease up. NHHFA 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, NHHFA will not approve a lower number of residents in a unit than allowed for occupancy by HUD Handbook 4350.3 Chapter 3-23. 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.